



2011 City of St. Albert Annual Report

Celebrating 150 years

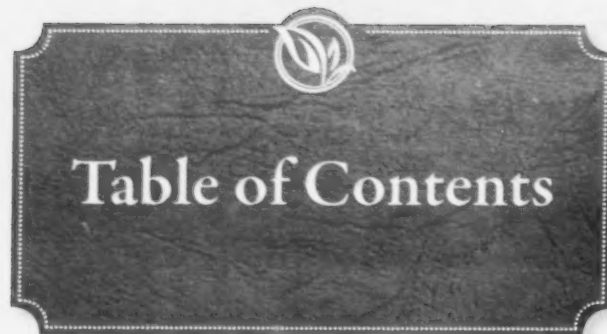


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City of St. Albert, Alberta, Canada
2011 Annual Report, for the year ended December 31, 2011
Prepared by: Corporate Strategic Services Division and Financial Services

City of St. Albert
5 St. Anne Street, St. Albert, AB T8N 3Z9
T: 780-459-1500 **F:** 780-460-2394
www.stalbert.ca

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One of the City's crowning achievements in 2011 was the success of the 150th anniversary. Planning began in 2008, when the City announced the members of the 150th Anniversary Celebration Committee. This committee assisted in the planning, hosting, sponsoring and coordinating of activities for the anniversary. Throughout 2011, the community enjoyed a wide range of festivities to suit all ages to celebrate St. Albert's rich history and culture.



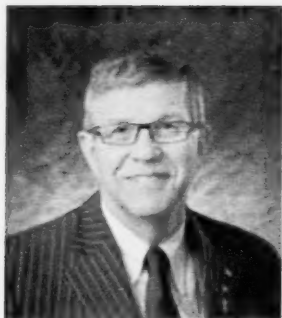


Introduction

The City of St. Albert is pleased to present its 2011 Annual Report, which provides an overview of the City's various corporate and financial accomplishments throughout the year. These accomplishments are based on City Council's Outcome Goals and the City's audited financial statements.

The Annual Report is divided into three sections:

- 1. Introductory Section** – provides messages from the City's senior executives, an overview of the City of St. Albert, including its municipal profile and government structure, and a Year in Review which provides an overview of key corporate activities and accomplishments based on City Council's Outcome Goals. A discussion and analysis of the financial statements is also included, to enhance a reader's understanding of the City's fiscal results and overall condition.
- 2. Financial Section** – provides the Management and Auditor Reports and presents the audited financial statements including related notes and schedules.
- 3. Statistical Section** – provides a summary of various financial and general statistics, which are intended to provide a reader with useful information on corporate trends.



Message from the Mayor

I am pleased to present the City of St. Albert's Annual Report for 2011 on behalf of City Council.

In 2011, St. Albert was rated the best place to raise a family by Today's Parent magazine and is among the top places to live in Canada according to Money Sense magazine. We are proud to help be the stewards of this historic city called home by over 61,000 people, making St. Albert Alberta's fifth most populous city. We cherish the Sturgeon River, our parks and trail system, schools and recreational facilities, and the many arts and cultural activities available to residents and visitors. We have outstanding municipal services and strive to provide the highest quality of life for residents – family being paramount.

To preserve what we value and to build the City for current and future generations, Council established eight priorities for 2011 and progress was significant on all priorities.

Looking back, we are pleased that significant strides were made in many areas. The highlight in 2011 was the year-long celebration of the city's 150th anniversary, offering dozens of events and festivities that were well attended by the community and visitors. Some events were so popular – like the Family Day Snow Festival and the Soap Box Derby on Father's Day – that Council decided to establish these as annual celebrations and the Spirit of St. Albert Society was created to help manage these and other events and celebrations in the community. Heartfelt thanks go to all the organizers, volunteers, sponsors, donors and staff who made the year a fitting tribute.

Access to primary health service providers is a concern across the nation. We took a look at what could be done at the municipal level regarding the issue of physician attraction. We struck a Task Force on Physician Attraction and based on their recommendation, Council amended zoning in Campbell Park to allow for more physician offices.

This was also a year where Council took stock and came to the conclusion that we needed to forge a new path ahead to ensure the city's success in the long term. Council identified economic development as the area requiring significant additional effort and focus. While a number of initiatives and projects are underway (such as the completion of Ray Gibbon Drive) and planned to support growth, it has become clear that more significant changes are needed. Council will be making a decision on light industrial sites in 2012 and is calling for a more aggressive and focused economic development strategy.

Council also decided to bring in different skill sets in a new City Manager and a new General Manager for Economic Development, the recruitment for which is underway.

Council looks forward to 2012, to build on the successes and foundations set in 2011.

Original Signed

Nolan Crouse
Mayor of St. Albert | The Botanical Arts City



Message from the Acting City Manager

On behalf of Administration, I am pleased to present the 2011 Annual Report to Council and the community.

Council provided clear priorities for the year, and along with the Corporate Business Plan and Budget 2011, our roadmap was set. This report provides an overview of significant operational activities and accomplishments as well as the financial report for 2011. We are pleased to report the City's positive financial position for the year. Administration makes every effort to run the City efficiently and cost effectively while consistently delivering a high standard of services.

The City's 150th year was eventful. The most significant change in services was the successful implementation of the automated waste management program in 2011. The benefits to the environment have been tremendous – the city's residential waste diversion rate for 2011 was 58.2 per cent, almost double the 29 per cent diversion rate for residential waste in Alberta.

Ensuring that St. Albert remains a top place for families is the motivation behind our emphasis on neighbourhood development. The City now offers an online Crime Map to raise awareness of various crimes in neighbourhoods in order to increase vigilance and encourage neighbours to develop tighter communities. Another Council priority we focused on was strengthening community engagement and communication. The City opened new communication channels through Facebook and Twitter, implemented web streaming of Council Meetings, and Council Columns were published online and in the St. Albert Gazette.

We are entrusted to ensure every dollar spent provides value. The City started work on implementing a continuous improvement program to find creative solutions to improve services, reduce costs and improve efficiency.

In June we presented Council with the Industrial Land Requirements Study which recommended zoning sizeable parcels of land to meet industrial land needs over the next 25 years. In August, Council directed Administration to identify contiguous and non-contiguous lands in a Future Study Area Review. In December, Council voted to actively pursue with landowners the development of existing designated and districted industrial lands in the southwest and southeast corners of the city, to accommodate industrial growth for the next several years, and to vote on the designation of new light industrial areas in the spring of 2012.

We are looking forward to working with Council and serving St. Albert residents and businesses in 2012.

Original Signed

Chris Jardine
Acting City Manager



Present day downtown St. Albert. St. Albert Place and Sturgeon River.



Downtown St. Albert. Perron Street looking South, 1912

City Profile

One of the most beautiful cities in Alberta, St. Albert has long been recognized as a community of choice with its picturesque landscape, celebrated parks and trail system, state-of-the-art amenities, inviting neighbourhoods with tree-lined streets, lively arts and culture community and outstanding attractions and events. Established in 1861, St. Albert is steeped in history and is the oldest non-fortified community in Alberta. Today, St. Albert is a vibrant community with a population of 61,466.

With direct access to resource development in northern Alberta, excellent transportation networks and a highly educated workforce, St. Albert is positioned to attract clean industry, with a focus on professional, scientific and technical services and "green" industries that match the Botanical Arts City brand.

Government Structure

The City of St. Albert's mandate is to provide various social and recreational programs, protective services, transportation systems, public utilities, and other local services to the community. The municipality consists of two branches — a legislative branch (comprising City Council), and an administrative branch (by the City Manager).

City Council provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes.

City Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a three-year term and governs in accordance with powers granted under the Municipal Government Act.

CITY COUNCIL MISSION, VISION AND VALUES

City Council's Mission, Vision and Values provide Administration the foundation to make recommendations to Council and to guide decisions. The Mission describes the City's purpose; the Values define how Council will carry out decisions and actions; and the Vision describes the type of city that Council wants St. Albert to become.

MISSION

As community elected leaders, Council's mission is to:

Represent the citizens of St. Albert, make decisions in the best interests of the entire community and ensure the corporation delivers results that will sustain a high quality of life for St. Albertans.

VISION

As the Botanical Arts City, St. Albert is recognized throughout the region as a vibrant and thriving urban centre with a strong sense of community.

VALUES

Council's values reflect Council's behaviour and their approach to decision making:

- *Community: Consider best interests of the community*
- *Engagement: Engage residents and stakeholders in City Council and community matters*
- *Integrity: Behave consistently with our values*
- *Respect: Respect and consideration for all people and their perspectives*
- *Stewardship: Practice fiscal stewardship*
- *Trust: Earn and retain trust*
- *Understanding: Understand the issues—be curious, informed and prepared*
- *Unity: Move forward as one body on decisions*

2011 St. Albert City Council



Mayor Nolan Crouse



Councillor Len Bracko



Councillor Wes Brodhead



Councillor Cathy Heron



Councillor Roger Lemieux



Councillor Cam MacKay



Councillor Malcolm Parker

ADMINISTRATION

City Administration is by an appointed City Manager and consists of an organizational structure divided into four divisions and 21 separate functions. The City Manager and four General Managers comprise the City's Senior Leadership Team, serving as the organization's executive administration. A broader Leadership Team, consisting of department Directors from across the organization, provides essential support and direction to Administration.

2011 Organizational Chart



The City of St. Albert employs about 600 employees in a wide variety of positions. Each employee takes pride in providing superior municipal services to the community. The work Administration does affects the lives of St. Albertans every day.



St. Albert Transit workers, 1986.



CORPORATE STRATEGY

The corporation's strategy defines the actions Administration will take to realize the planned future for the community, as defined by City Council's Mission, Vision and Values. Accordingly, the Corporate Strategy includes a Corporate Mission, Vision and Values.

CORPORATE MISSION

Our purpose; our reason for existence:

We provide exceptional services that enhance the quality of life in the community while ensuring the sustainability of St. Albert for future generations.

CORPORATE VISION

This is where we want to be in the future; it inspires us as we carry out our mission:

Pride of the community; Leaders in the region.

CORPORATE VALUES

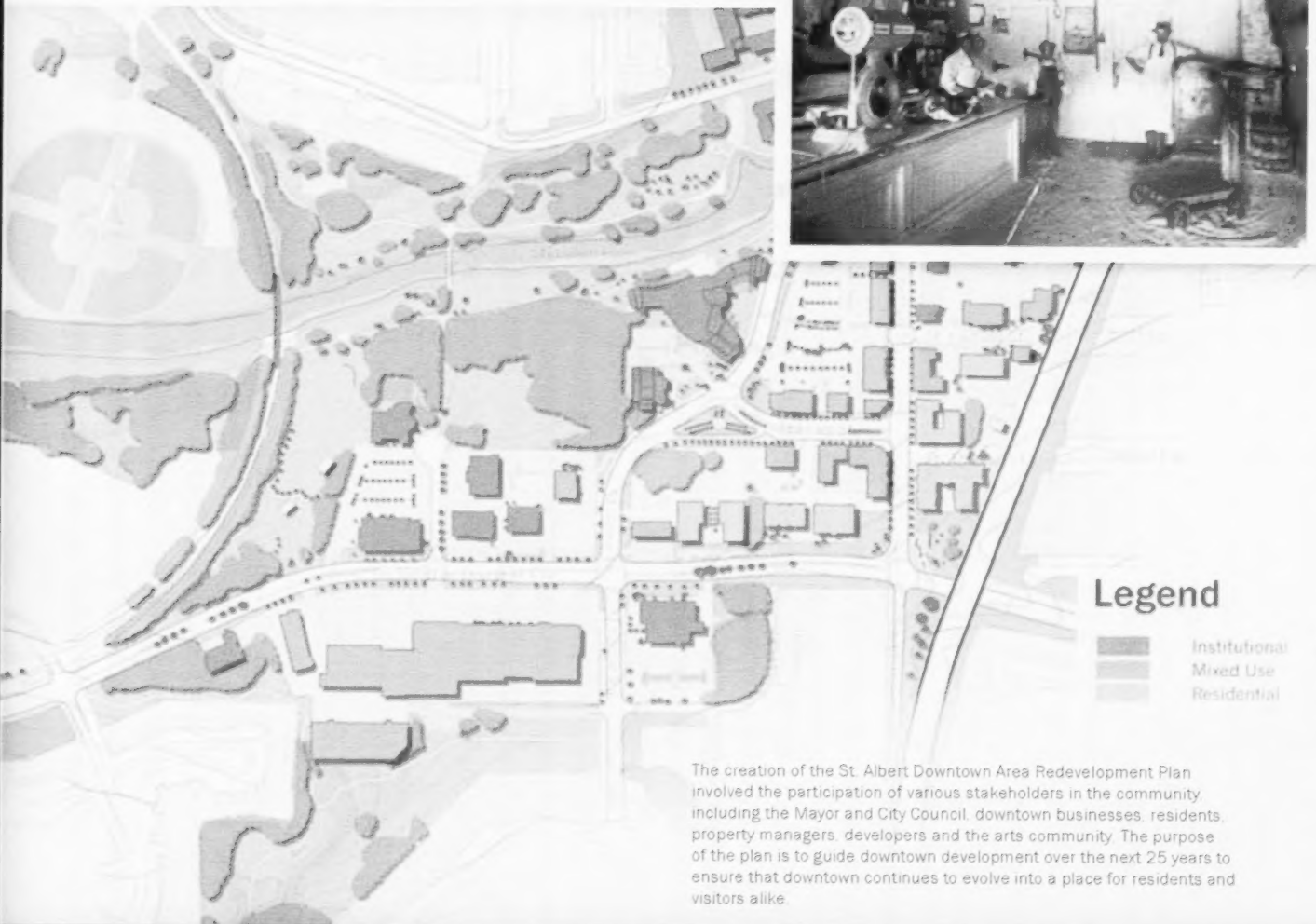
These are the principles we hold dear. We commit to them uncompromisingly as the future unfolds. Our values define our culture:

- *Excellence*
- *Ethics*
- *Empowerment*
- *Encouragement*
- *Enjoyment*

Year in Review

The City's 2011 highlights and accomplishments demonstrate its commitment to long-term planning, community sustainability and effective service delivery. This section provides an overview of accomplishments as they relate to City Council's Goals.

By 1886, St. Albert had five general stores, two hotels, two billiard saloons, three blacksmith shops, one shoe shop, one bakery and offices for two notaries public.



The creation of the St. Albert Downtown Area Redevelopment Plan involved the participation of various stakeholders in the community, including the Mayor and City Council, downtown businesses, residents, property managers, developers and the arts community. The purpose of the plan is to guide downtown development over the next 25 years to ensure that downtown continues to evolve into a place for residents and visitors alike.

ECONOMIC DEVELOPMENT

Increased businesses, visitors and investment are achieved to strengthen and diversify St. Albert's economy.

BUSINESS ATTRACTION AND DEVELOPMENT

Pursue Commercial and Light Industrial Development
Council and Administration met with a number of business owners, land owners and developers to discuss opportunities for commercial and light industrial development in St. Albert. In addition, the Mayor sent letters to developers enquiring about lands on the west side of the highway north of the Wal-Mart site, outlining the City's approach to supporting new developments.

Administration attended various networking events throughout 2011 to promote St. Albert and to strengthen local and regional relationships.

Downtown Area Redevelopment Plan (DARP)

Council received a high-level implementation plan for DARP which was then circulated to stakeholders for their input.

In late 2011, Council approved the use of a Downtown Design Consultant to aid with urban design. This will include ensuring all major developments and redevelopments in the downtown are architecturally consistent with DARP.

Business Licences

Compared to 2010, the number of business licences decreased by 121 in 2011, an overall decline of 3.7 per cent. This decline is mostly non-resident business licences. Non-resident business licences decreased in 2011 compared to 2010 due to decrease in building activity and increase in non-resident business licences fees which may have resulted in contractors not accepting work in St. Albert and/or renewing their business licence.

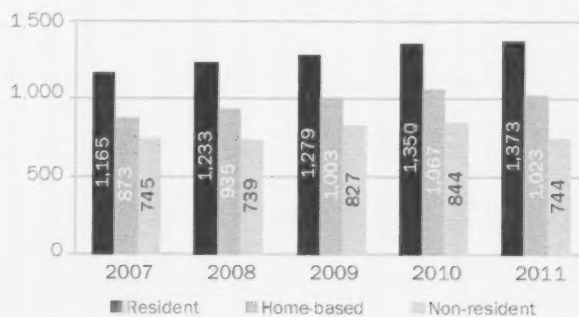
The 2011 target for resident businesses (1,355) was exceeded.

Recruitment of General Manager for Economic Development

In late 2011, Administration initiated recruitment for the General Manager of Economic Development.

Reporting to the City Manager, this new position will be the primary promoter and sales representative for the community with significant time spent on attracting new businesses to St. Albert.

NUMBER OF APPROVED BUSINESS LICENCES
JANUARY 1 - DECEMBER 31



Note: Resident businesses are businesses operating from a commercial/industrial location within St. Albert.

Target for 2011: 1,355 resident, 1,072 home-based and 849 non-resident businesses.



St. Albert's Founders' Walk opened on July 24, 2011. The walk, from the Clock Tower to Mission Hill, is a re-creation and expansion of the 1988 Founders' Promenade, which acknowledged the contributions of some of St. Albert's early settlers. It also pays homage to the earlier Memorial Drive, which was created in 1929 to remember the Oblate Missionaries, members of the 1885 St. Albert Mounted Rifles and Veterans of the First World War.

TOURISM DEVELOPMENT

Implement Tourism Master Plan

Dining Guide – The Dining Guide was developed to provide residents and visitors with information on dining options in St. Albert. A map showing the location of each restaurant is also included.

New Visitor Guide – The new visitor guide was developed and approximately 2,800 copies were distributed to Visitor Information Centres across Alberta. The guide is produced annually to showcase St. Albert to potential visitors. This comprehensive guide promotes all that St. Albert has to offer and includes a special event listing and a city map.

Official 2011 City of St. Albert Map – The official 2011 City Map was produced and made available for purchase at the Business and Visitor Centre. The map was also distributed to residents through the St. Albert Gazette Directory. The 2011 City Map received first place in the Public Sector category at the annual GeoAlberta conference, the annual gathering of Alberta Geographic Information System (GIS) professionals.

Heritage Site Phase 1 – The restoration of both grain elevators was completed and the official opening was held on September 18, 2011.



Two of Alberta's provincially designated grain elevators: the 1906 Brackman Ker Elevator and 1929 Alberta Wheat Pool Elevator.

Founders' Walk – The Founders' Walk was officially opened in July 2011 with over 300 people in attendance. The new walk from the Clock Tower to Mission Hill is a re-creation and expansion of the 1998 Founders' Promenade, which acknowledged the contributions of some of St. Albert's early settlers.

PROMOTING ST. ALBERT

Botanical Arts City Brand

A range of initiatives were undertaken to ensure that the city brand takes root throughout the community, such as:

- The city beautification program continued in 2011 with 30 applications approved for summer, 17 for winter. Fifteen residents participated in the hops/clematis program for the sound barriers on St. Albert Trail.
- Seventeen intersections in the city were decorated with petunia barrels in the summer.
- Concrete engravings of the City's leaf icon were installed around the Business and Visitor Centre building.

Administration sent out 475 brochures about the new commercial beautification program to Perron District, St. Albert Trail, Bellerose and McKenney businesses.

- The City participated in a Regional Botanical initiative that included four botanical dresses being displayed in St. Albert. Visitors and shoppers collected a letter located at each dress in order to enter to win their own botanical dress for 2012.
- Botanically themed welcome packages were presented to 58 new businesses in 2011.

The Official City of St. Albert Flora

Council formally adopted official flora, which will further the branding of the City of St. Albert as the Botanical Arts City. The official flora are: Deciduous Tree—American Elm (*Ulmus Americana*); Coniferous Tree (Evergreen) – Scots Pine (*Pinus sylvestris*); Shrub—Highbush Cranberry (*Viburnum trilobum*); Flower—Petunia (*Solanaceae petunioidae*—*Petunia x hybrid*).

OTHER ITEMS OF IMPORTANCE TO COUNCIL

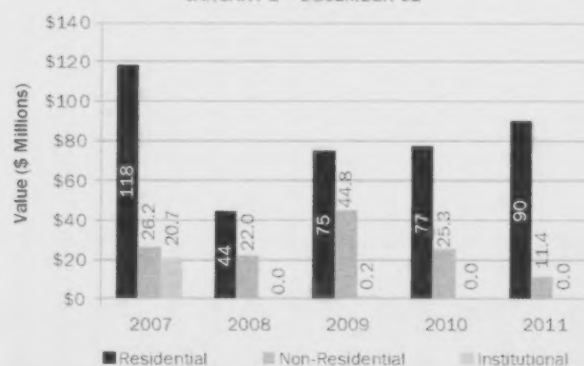
Annual Business Breakfast

In February 2011, Administration hosted the 7th Annual Business Breakfast with 150 business and community leaders in attendance. The City hosted a two-hour marketing workshop following the breakfast.

Building Permit Value

Compared to 2010, the value of new residential construction permits increased while non-residential construction permits decreased.

NEW DEVELOPMENT CONSTRUCTION VALUE
JANUARY 1 - DECEMBER 31



LAND USE PLANNING

Necessary decisions are made to support progress of undeveloped and infill areas.

EXPEDITE SOUND DECISION-MAKING ON COMMERCIAL AND LIGHT INDUSTRIAL DEVELOPMENT

Council and Administration met with developers throughout the year to discuss various land matters.

Land Use Bylaw for 151 Riel Drive

Council approved amendments to the Land Use Bylaw for 151 Riel Drive. The amendment changed the zoning from industrial to commercial on the lot south of the Enjoy Centre. This change allows the land owner to pursue tenants that match the permitted and discretionary land uses in the commercial district.

Campbell Business Park North

Council approved the new land use and redistricting bylaws for Campbell Business Park North to permit a wider variety of commercial and industrial uses.

EXPEDITE SOUND DECISIONS ON THE LAND AREAS DESIGNATED AS FUTURE STUDY AREA TO ALLOW FOR DEVELOPMENT

On June 20, 2011, Council received the Future Industrial Land Requirements Study which was prepared by a consultant with significant input from internal and external stakeholders. In August 2011, Council requested that Administration identify up to 300 hectares of contiguous and non-contiguous industrial land.

In late 2011, Council reviewed Administration's recommendations for light industrial sites. Administration was directed to gather further input from the St. Albert Economic Development Advisory Committee, the development industry, affected land owners and the Urban Development Institute before this item returns to Council on April 30, 2012.

MAKE NECESSARY UPDATES TO THE MUNICIPAL DEVELOPMENT PLAN (MDP) TO REMOVE ALL REFERENCES TO SMART GROWTH

The MDP Smart Growth Amendments were completed and approved by Council in August 2011.

SAFETY AND HEALTH

Initiatives are implemented to augment safety and health for St. Albertans.

SAFETY

Long-Term Policing Plan

Administration continued working on a plan that will establish a policing model for St. Albert and outline a vision and service levels to achieve the vision over the next 10-15 years. The plan is expected to be complete by summer of 2013.

Neighbourhood Development Initiatives

The Neighbourhood Development Committee completed the annual terms of reference update to ensure their purpose, work plan and expectations continue to align with the needs of this initiative.

Community Crime Map

The Community Crime Map was unveiled in September 2011. The map is a web-based tool to help prevent crime in St. Albert. The map plots incidents reported to the RCMP for any range of dates since January 1, 2005. Users can view information for the entire city or a selected neighbourhood and see the distribution patterns for various crime categories by street. The Community Crime Map is located at www.stalbert.ca/crime-map.

Block Parties

The aim of this City-supported initiative is to encourage neighbours to get to know each other as part of developing a caring and safe community. There were 68 block parties, including two winter block parties, in 2011, compared to 66 block parties and no winter parties in 2010.

Neighbourhood Garden Project

The St. Albert Parish Heritage Garden and the Gate Avenue Garden had a very successful first year of operation. Both gardens are exploring funding sources in order to continue with this initiative in 2012.

Neighbourhood Initiatives

A number of neighbourhood development initiatives were implemented to strengthen community safety and unity in 2011 including:

- Deer Ridge Safety Campaign—safety campaign on Deer Ridge Drive in front of Muriel Martin School.
- Gentry Lane—creating a more connected, safer neighbourhood.



The City of St. Albert is committed to neighbourhood development, including innovative and responsive community policing, which is why the Community Crime Map was developed.



In 1888, the first North West Mounted Police (NWMP) detachment was established. Eight years later, the NWMP left St. Albert.

Vital Michelot was hired as a town policeman. He served until the RCMP arrived back in 1944.

- Langley Park Leadership Group—addressed neighbourhood priorities including increasing membership, beautifying the park, enrolling with Citizens' Patrol, etc.
- Braeside—addressed fire hazards along the Red Willow Trail system and residential properties.
- Woodlands School Group—encouraged residents to proactively watch the playground and school area during summer months.
- Akinsdale Group—communication regarding neighbourhood initiatives and an invitation to residents to participate.

HEALTH

The Best Place to Raise a Family in Canada

In May 2011, St. Albert was ranked by Today's Parent magazine as the best place in Canada to raise a family.

Physician Attraction Task Force

The task force developed a physician attraction survey to obtain information from residents on their needs for physicians in St. Albert. The survey results indicated that St. Albert could benefit from additional physicians. Attracting additional physicians to St. Albert is complex and needs to consider numerous stakeholders, market conditions and the evolving requirements of physicians and medical models.

The Facility Planning & Development Sub-Committee continued to explore opportunities to support or partner in the development of a facility to accommodate physicians or related health and wellness services.

To support physician attraction and the opportunity for new medical facility developments, Council changed the zoning in Campbell Park to allow for medical facilities.

OTHER ITEMS OF IMPORTANCE TO COUNCIL

Public Artwork Vandalized

In May 2011, public artwork by Stewart Steinhauer entitled StarWoman was vandalized. Administration addressed the situation in accordance with the Public Art Policy and worked with the RCMP and Crime Stoppers in response to this incident. The original sculpture was replaced with a new StarWoman sculpture in an exchange ceremony in September 2011.

Injury and Non-injury Collisions

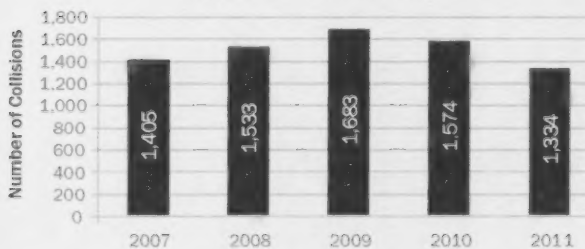
Compared to 2010, the number of injury collisions increased in 2011. Police believe that the winter road conditions in quarter one of 2011 was the main reason for this increase in injury collisions.

NUMBER OF INJURY COLLISIONS
JANUARY 1 - DECEMBER 31



Compared to 2010, non-injury collisions decreased in 2011. The police believe this decrease was due to an increase in enforcement resources and education and public awareness initiatives.

NUMBER OF NON-INJURY COLLISIONS
JANUARY 1 - DECEMBER 31



Criminal Code Offences

Criminal code offences decreased in 2011 compared to 2010. The police believe this decrease was partially due to the City's social development initiatives.

NUMBER OF CRIMINAL CODE OFFENCES
JANUARY 1 - DECEMBER 31



Municipal Enforcement Services

The number of incidents increased in all categories in 2011 compared to the same time period in 2010, except for Misc. Bylaw.

Incidents January 1 to December 31	2007	2008	2009	2010	2011
Animal Calls	982	926	917	1,001	1,549
Misc. Bylaw	187	196	146	190	131
Misc. Provincial Statute	22	27	22	30	77
Snow Removal	100	91	181	64	195
Traffic Bylaw/Parking	1,531	1,678	1,562	1,349	1,900
Assists/Warrants	50	36	44	54	63
Waste/Unsanitary/Weed/Environment	345	411	318	436	552
Traffic Safety Act	365	335	357	286	388
Total Reported Incidents	3,582	3,700	3,547	3,413	4,875



Two fire engines were purchased in 1907 and destroyed by fire in Leon Levasseur's Livery Barn in 1911. This was the fire brigade in 1912.

The number of bylaw charges in 2011 decreased by 36 per cent overall and in all categories except "Other." This decrease was mainly due to an increase in time spent on responding to incident calls that may not always result in charges, but to provide an opportunity to share information and educate. In addition, a decrease in operational officers impacted the team's ability to respond to an increased volume of incident calls.

Charges January 1 to December 31	2007	2008	2009	2010	2011
Moving	1 300	617	1 565	1 701	1 107
Non-moving	724	520	852	419	388
Parking	2 349	2 305	2 963	2 692	1 593
Bylaw	329	306	314	224	135
Other	36	67	33	4	10
Total Charges	4,738	3,815	5,727	5,040	3,233

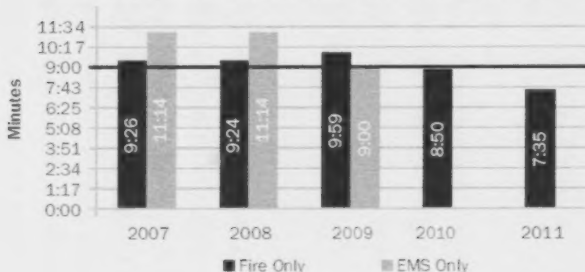
Emergency Response Time

The target of responding within nine minutes to 90 per cent of fire calls was met in 2011.

As of February 2010, the City of St. Albert is no longer responsible for EMS dispatch. Despite EMS data no longer being available, anecdotal evidence suggests response times may be increasing, creating concern within the City.

The Fire Services response time continues to improve and is well below the target response time.

EMERGENCY SERVICES RESPONSE TIME INDEX



Target: Respond to 90% of fire calls within nine minutes.

The StarWoman is part of a collection of five Steinhauer sculptures under the City's Art in Public Places program. The statue was vandalized in May of 2011 and replaced in an exchange and placement ceremony on September 22, 2011 in the North Promenade at St. Albert Place.



SOCIAL

Plans and initiatives are delivered to strengthen St. Albert's social fabric.

STRENGTHENING OUR COMMUNITY

Culture Master Plan

Administration worked with consultants to develop the draft Culture Master Plan that was available for residents' and stakeholders' input in October and November through an open house and online survey. The final version of the master plan will be presented to Council by the end of quarter one 2012.

Recreation Master Plan

Administration is in the final stages of developing the Recreation Master Plan. Residents and stakeholders had the opportunity to view the master plan and provide feedback through an open house and online survey. Administration used this feedback to make final adjustments to the plan before it is presented to Council in January 2012.

Social Master Plan

The project charter for developing the Social Master Plan was prepared and approved by Council. Once budget is approved, Administration will proceed with this project.

Neighbourhood Cleanliness Program

Administration established a working group to develop a strategy for identifying and removing graffiti. The committee consists of representatives from Public Works, Family and Community Support Services, RCMP, Municipal Enforcement, and Geographic Information Services (GIS).

New graffiti removal information postcards were designed and made available through Family and Community Support Services office.

Partners in Parks

Partners in Parks continued to maintain City park spaces during summer months by mowing, weeding, planting and tending flowerbeds and litter pick-up. Three schoolyards and three natural areas were cleaned up by students or community organizations.

Partners in Parks signs were installed to indicate areas where residents assist the City with various tasks as part of the program.

Spruce Up St. Albert

The event took place on May 3 with Mayor Crouse and two other guests helping judge garbage cans painted using the theme "Let's All Pitch In", "Spruce Up St. Albert" and "Cultivate Life". Nine garbage cans painted by students in six different St. Albert schools were used at various events around the city.

Clean Up the Sturgeon and River Edge Enhancement Project

The event took place on May 15 and was a success with record participation by 475 people. The Environmental Fair was also part of this event.

HOUSING

Funding Received for Big Lake Pointe in St. Albert

In November 2011, Government of Canada and the Province jointly announced \$121 million in grants towards affordable housing projects in Alberta over the next three years, including \$6.8 million towards Big Lake Pointe, a new affordable housing project developed in the city in partnership with the St. Albert Housing Society.

The 118 unit Big Lake Pointe development is expected to be completed by early 2013, with a mixture of market and affordable housing. Residents who qualify for affordable housing will pay rent 10 per cent lower than the average market rental rate set by Canada Housing and Mortgage Corporation.

Rental Subsidy Program

In April 2011, Council approved the Rental Subsidy Program to assist families, individuals and seniors with rent payments. In 2011, 89 families, individuals or seniors received assistance with 44 carrying over from 2010 and 45 participants new to the program. Since the program was introduced in 2008, 175 households have received a rental supplement through the program.

Basement Suite Grant Program

The City of St. Albert increased the city's supply of affordable rental accommodations in 2011 through the funding of the Basement Suite Grant Program. In 2011 the Basement Suite Grant Program received 15 applications. Of those, five are existing basement suites, which have now been upgraded to meet Alberta Building Code standards, and 10 are new suites in existing homes. The City provides up to \$15,000 for the development of a new suite and up to \$10,000 for the renovation of an existing basement suite. Additional information on the program is available at www.stalbert.ca/basement-suite-information.



Habitat for Humanity

The first eight units of the Aurora Place development are currently under construction and are expected to be complete by August 2012. The remaining 22 units will be built by September 2013.

OTHER ITEMS OF IMPORTANCE

Key Contributors to Red Willow Park Honoured

In 2010, Council approved a program to recognize individuals, not-for-profit community groups, donors, businesses, citizens and City employees who have made significant contributions to Red Willow Park. In June, 47 individuals and organizations were honoured and their names installed on a four-sided pillar in Red Willow Park.

In 1859, Father Lacombe decided to settle closer to Edmonton. He wanted a spot in the Sturgeon Valley and in 1861 the site of the new settlement was chosen. The first building constructed on the hill was the Father Lacombe Chapel.



Musée d'histoire, St. Albert Historical Society, 1900



Through the Spruce Up St. Albert program the City works with community groups and schools in the spring and early summer to help clean up areas in their surroundings. In the fall, the City works with schools to clean up the yards and fields. And, the Clean Up the Sturgeon is a one day event for the community to assist in cleaning up the garbage that accumulates along the river during the year. In 2011, 475 people participated in the Sturgeon River clean up.

INFRASTRUCTURE

Appropriate infrastructure investments are made to meet the community's need for mobility, recreation, collaboration and beautification.

COMPLETE RAY GIBBON DRIVE (RGD)

Ray Gibbon Drive Stage 3

A Functional Planning Study and construction drawings were revised in early 2011 to accommodate a conversion from the urban cross-section to a rural cross-section on the south part of RGD Stage 3. The final project design was completed while Administration worked with utility companies on utility crossing requirements.

The contract for the main construction portion of Ray Gibbon Drive Stage 3 was tendered for awarding by mid-March 2012, with work anticipated to start in late April. All environmental permit applications were made and approval is expected by middle of April. The majority of construction is expected to be complete by the end of 2012.

Secure Provincial Funding for Stage 3

The Provincial Government provided an additional \$4 million to reimburse the City of St. Albert for the costs of RGD directly associated with the provincial plan to convert RGD into a provincial highway in the future. This is part of an understanding that the Province will continue to provide funds for work completed.

In August 2011, Council passed a bylaw that authorized the borrowing of \$15,890,000 in order to begin construction of Stage 3 of Ray Gibbon Drive. The City is investing in Ray Gibbon Drive as part of building a critical transportation network in the northwest quadrant of the city. The City's long-term vision is for the Province to convert the road into a highway.

Administration continues to work with the Provincial Government on reimbursement of the remaining monies owed for Stages 1 and 2 and money owing for Stage 3 land purchases and construction.

RIEL AREA ENHANCEMENTS

Phase 2 Construction

Work on Phase 2 is nearly complete. The remaining deficiency clean-up, including repairs to the back of the start hill and landscaping are scheduled to take place in the summer of 2012.

All work required for the 2011 Rainmaker Rodeo was completed on time. The Rainmaker Rodeo was a huge success with many positive comments received on the new facilities. The track and building were in use by BMX.

Tendering and start of construction related to Phases 3 and 4 of the remediation will occur in 2012.

ENHANCE PUBLIC TRANSPORTATION

Study of Accessible Transportation Medical Trips to Edmonton

Administration initiated a pilot project to determine needs relating to medical trips to Edmonton. Discussions with the Seniors Working Group and other stakeholders in second quarter of 2011 resulted in this initiative changing from a pilot to a study to determine potential demand and the resources required for medical trips to Edmonton. Council approved the Terms of Reference for this study and budget of \$25,000.

The study started in October 2011 with the final report scheduled to be presented to Council in May 2012. Open houses and meetings with various community groups were held in October.

Funding for South Park and Ride

Administration submitted a Green Transit Incentives Program (TRIP) application to Alberta Transportation to secure funding for the South Park and Ride. In quarter two of 2011, Administration received notification from Alberta Transportation that the City would need to demonstrate the following before the TRIP funding is approved:

- Access to the land required in the Transportation Corridor from Alberta Infrastructure.
- Proposed intersection upgrades at Highway 2 and Campbell Road are acceptable to Alberta Infrastructure.

In June 2011, Administration met with the Alberta Infrastructure Deputy Minister to discuss land requirements for the South Park and Ride. He advised that currently the province is not considering the nominal fee transfer of any provincially owned land.

Funding for the City's portion of the South Park and Ride was included in the 2012 capital budget.

Land acquisition continued to present the greatest challenge to the City's progress.

Plan for Future of LRT to St. Albert

Administration met with City of Edmonton throughout the year to discuss future northwest light rail transit (LRT), including St. Albert's participation in a functional alignment study with the City of Edmonton.

In October 2011, Administration presented an LRT strategic direction document to Council. Three recommendations were approved for collaboration with City of Edmonton: the Northwest Light Rail Transit Functional Alignment Study; land acquisition in the Transportation Utility Corridor; and fare integration. Administration also submitted a grant funding application through Alberta Municipal Affairs Regional Collaboration Program for \$250,000 to be used towards the Northwest LRT Functional Alignment Study.

The first bridge over the Sturgeon River was constructed in 1862 by Father Lacombe and volunteers from the settlement.

Anthony Henday Connectors

The first stage, the east side connectors to the Anthony Henday (Boudreau Road and Veness Road) was open to traffic in the fall of 2010, with completion of sidewalks and landscaping done in 2011.



St. Albert launched NextBus, a real-time bus information tool for riders, on May 18, 2011. St. Albert is second to Banff in Alberta to offer such a service. Guelph, Thunder Bay, Toronto, and Laval are the other Canadian municipalities with similar services.

STAT
CITY OF ST ALBERT TRANSIT





Official opening of Lacombe Lake Park, June 17, 1977

COMMUNITY AMENITIES

Enhance Entrances to the City

Administration initiated work to install entrance signs. An application to Alberta Infrastructure was required for encroachment onto the Transportation Corridor. Construction was deferred until 2012 due to the required approval process.

Beautifying St. Albert Trail

Phase one of the project includes removal and replacement of the crumbling median along St. Albert Trail from St. Anne Street to Green Grove Drive and preparing shrub beds for landscaping in 2012. The contract was awarded to Wilco Landscaping Ltd.

By the end of quarter four 2011, concrete work for the median landscaping between Sir Winston Churchill Avenue and Sterling Street was completed with the remaining landscaping, including shrub and tree planting, targeted for 2012.

Complete Levasseur Dog Park

Due to the lengthy approval process associated with raising the power lines, construction was delayed to 2012. Construction is scheduled for completion by the third quarter of 2012.

Complete Lacombe Lake Dog Park

The final design option was selected with significant input from residents, including feedback received via e-mail, the City's website, open houses and in-person surveys. The final design incorporates screen planting to create a barrier between the open area on the west side of the park and the trail on the west side of the lake. Other additions to the park include garbage cans, benches and signage.

The first round of planting was completed in October 2011 with additional plantings scheduled to be complete by the end of July 2012. Site specific dog park signage, two additional park benches and three additional picnic tables will be installed by the end of August 2012.

As a pilot project, pet station bag dispensers were installed in December. Administration will evaluate the success of this pilot project before making the decision on the future use of bag dispensers in dog parks in St. Albert.

Memorial Bench Program

Administration continued to promote the memorial/commemorative benches as one approach to enhancing park areas for residents and visitors. In 2011 two new benches were installed with plaques (Macmillan Park) and six plaques were installed on existing benches (Larkspur Park, Heritage Pond, Kingswood Day Use Area, Grandin Pond, Lions Park and Macmillan Park).

CIVIC INFRASTRUCTURE

Plan for Future of Buildings

Administration continued to address planning requirements for the following buildings:

- Hemingway Centre—Council passed a motion that Administration explore options related to the use of this building by artists.
- Community Support Centre—Consultants met with stakeholders and worked on refining data required to prepare a detailed business plan.
- Fire Hall #1—Administration recommended amending the capital plan to include a budget for concept planning to determine options for the motorization/re-development of the station. Council postponed work on this building.

Acquire Land for Municipal Purposes

Administration continued discussions regarding lands of interest within and abutting St. Albert. Administration is currently awaiting a decision from Sturgeon County Council to determine if the City of St. Albert's request to acquire land was approved.

Since changing to the Automated Waste and Curbside Organics collection system in June 2011, St. Albert has seen a reduction in the amount of waste sent to the landfill. Residential waste diversion rate for 2011 was 58.2 per cent, almost double the 29 per cent diversion rate for residential garbage in Alberta.



ENVIRONMENT

Initiatives are supported and implemented to ensure preservation and enjoyment of natural areas.

ENVIRONMENTAL PLANS

Solid Waste and Organics Recycling Program

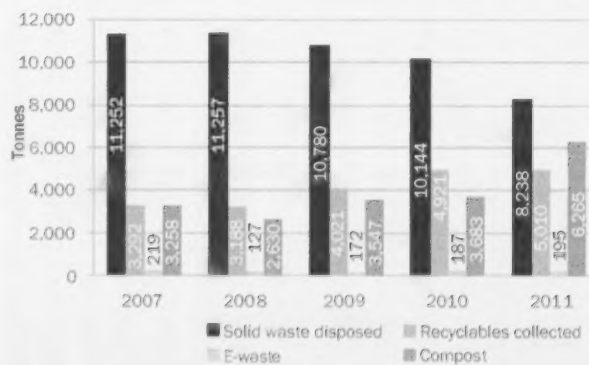
Full implementation of the automated solid waste and organics program occurred in June 2011. Significant public education took place prior to full implementation.

Since the full implementation in June 2011, St. Albert has seen a reduction in the amount of waste sent to the landfill: a total of over 2,400 metric tonnes compared to the same period in 2010. Since the program was introduced, the City has increased its diversion rate to 58.2 per cent, a 12 per cent increase when compared to 2010. Since the program implementation, the City of St. Albert collected an additional 3,200 metric tonnes of organics compared to the same period in 2010.

Reduce Solid Waste Generation

Compared to 2010, there was an increase of 2,582 tonnes of compost, 89 tonnes of recyclables and 8 tonnes of e-waste, while the amount of solid waste collected decreased by 1,906 tonnes—a 19 per cent decrease.

SOLID WASTE AND RECYCLING
JANUARY 1 - DECEMBER 31



Water Conservation and Efficiency Plan

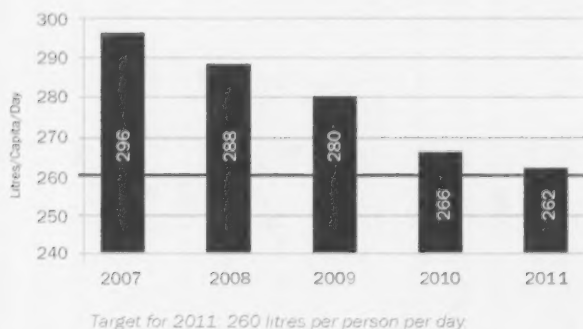
Data collection started for the Water Conservation and Efficiency Plan required by all municipalities by 2012. The plan is in support of the City's Environmental Master Plan goal to minimize water consumption as well as the Province's Water for Life Strategy. Information on City and community water use is being reviewed.

Water Consumption

In 2011, water consumption in St. Albert decreased by 1.5 per cent compared to 2010. A reduction in water consumption supports the City's 2011 goal of 260 litres per person per day.

Some of the factors that contribute to this downward trend include: water patterns; weather patterns; the City's ongoing water conservation messaging; rate elasticity (water rate versus usage); and water-efficient fixtures

WATER CONSUMPTION
JANUARY 1 TO DECEMBER 31



Environmental Advisory Committee

Council considered a number of recommendations from the Environmental Advisory Committee including plastic bag use and traffic light timing.

Environmental Initiatives Grant Program (EIGP)

Twelve applications under this City program were funded in part or whole, valued at more than \$27,000.

Air Quality Station

The Alberta Capital Airshed Alliance Monitoring Network Report was finalized and forwarded to Alberta Environment for review. This report recommends a continuous air quality monitoring station within St. Albert and a temporary or seasonal air quality monitoring project in order to start collecting baseline data and to help determine the best location for a permanent station.

Household Hazardous Waste Collection

Disposal options at the recycling yard were expanded and a household hazardous waste (HHW) program was implemented in September. The following HHW products are now being accepted at the depot: paint and paint cans; aerosols; oil and oil containers; and common household hazardous chemicals.

Transit International Organization for Standardization (ISO) Designation

St. Albert Transit maintained its ISO 14001 designation for its environmental management system as determined by an independent audit.

NATURAL AREAS

Tree Planting to Naturalize Areas

To naturalize areas, tree planting took place in the following areas: Riel Pond, Willoughby Park and Lacombe Park.

Review and Implement Opportunities Related to the Sturgeon River

The State of the Sturgeon River Watershed report is 75 per cent complete, with two drafts reviewed by the Environmental Advisory Committee.

The engineering design work contract was awarded for the 2012 Sedimentation and Erosion Control Project. The project will include investigations and design for several high priority outfalls.

Lois Hole Centennial Provincial Park Development

The boardwalk was completed including installation of the majority of the boardwalk signage.

Administration also met with the Minister of Tourism, Parks and Recreation to discuss the pressing need for a pedestrian bridge from the Enjoy Centre to the provincial park. No decision has been made at this time.



Fire Station No. 3 is the first fire hall in Alberta and the second in Canada to receive Gold Certification for Leadership in Energy and Environmental Design (LEED) from the Canada Green Building Council.



February 3, 1966 – St. Albert Fire Hall

Protect the White Spruce Forest

The White Spruce Forest was designated a Municipal Historic Resource during National Forest Week and named the Grey Nuns White Spruce Park. The park covers over six hectares and is located near the Timberlea subdivision, located off Ray Gibbon Drive along the Red Willow Trail corridor.

OTHER ITEMS OF IMPORTANCE TO COUNCIL

Fire Station No. 3 Receives Gold Certification for Leadership in Energy and Environmental Design (LEED®)

Fire Station No. 3 is the first fire hall in Alberta and the second in Canada to receive this environmental designation from the Canada Green Building Council. The environmental benefits reflect:

- Water consumption, on average, has been reduced by 75 per cent of that of Fire Stations 1 and 2

through the use of low flow faucets, showerheads and water-efficient landscaping.

- Natural gas costs have been reduced to approximately 12 per cent of the cost of Fire Stations 1 and 2.
- More than 90 per cent of the building has access to natural light.

For the first two years of operation, the building's electricity requirements were met through its solar panels and through the purchase of wind power, reducing greenhouse gas emissions.



Council is committed to building our community to meet the needs of residents and businesses, further strengthening St. Albert.

COUNCIL GOVERNANCE

Policies, practices and agreements are evaluated to reduce residential tax burden and improve operational efficiency and accountability.

COUNCIL OPERATIONS

Council Priorities

In February 2011, Council set its priorities, which include eight areas of focus that will help guide plans and decisions through to 2012. As approved, Council's areas of focus were:

- Economic Development
- Land Use Planning
- Safety and Health
- Social
- Infrastructure
- Environment
- Council Governance
- 150th Anniversary Celebration

Evaluate Need for Full Time Council

A Council Remuneration Review Committee continued its work to determine if there is a need for full time Council and to consider Council compensation and other related matters. The final report is expected to be completed in early 2012.

City's Organizational Structure

Council provided direction on the restructuring and reorganizing of City's Administration.

MAINTAIN FISCAL FOCUS

Practice Fiscal Restraint

In May, Council approved the 2011 Property Tax Rates Bylaw with a nominal increase to property taxes. The municipal tax increase for residential properties was set at 3.24 per cent and 3.31 for non-residential properties.

In December, Council approved the 2012-2014 Corporate Business Plan and Budget which focuses on delivering existing services cost effectively, making modest investments in services, demonstrating prudent fiscal management and positioning St. Albert for the next stage of growth.

Municipal property taxes are budgeted to increase 2.8 per cent in 2012.



First St. Albert Council, 1904

Review Appropriate Fiscal Policies

The Standing Committee on Finance reviewed the Financial Reserves Policy and recommended the proposed amendments to Council. Council approved the Seniors Tax Grant as an ongoing program.

Review expiring agreements with external organizations and examine alternatives

The following agreements were reviewed and renewed:

- The St. Albert Nordic Ski Club.
- The BLESS Summer Nature Centre annual licence agreement. This agreement may be incorporated into a long-term agreement in 2012.
- The St. Albert Community Garden's five-year licence agreement including a new clause to incorporate the City's new branding into any signage, marketing or infrastructure projects.
- The stewardship agreement with the Arts and Heritage Foundation is due for renewal. Council is currently reviewing this agreement with updates expected in 2012.

Continuous Improvement Policy

In September, Council approved a policy related to a Continuous Improvement Review program. The policy sets out the framework for future continuous improvement reviews of municipally funded operations.

Continuous Improvement Initiatives

To implement Council's Continuous Improvement (CI) policy, Administration developed a CI program which identifies specific projects for 2012. Information about these projects was presented to Council during the 2012-2014 business plan and budget deliberations.

Recreation Services and Servus Place – Two departments were in the process of completing an initiative that looks at building on their strengths while looking for new ways to enhance and improve collaboration, communication and service delivery.

The initiative consisted of seven facilitated sessions with employees and is expected to be complete by the end of March 2012. An Action Plan will be developed with any initiatives incorporated into 2013-2015 business plans.

Billing Practices – The City amended its utility billing practice affecting landlords and tenants so that utility bills are now sent to the property owner on the title rather than the tenant. This change was made to address the large amounts of yearly uncollectable accounts valued between \$40,000 and \$60,000 of which tenants accounted for 90 to 95 per cent.

Capital Projects – Administration implemented a new approach to managing capital projects across the City after considering best practices used by other Alberta municipalities. This new approach resulted in a more efficient and effective process, greater consistency and improved decision making for the significant capital investments made by the City.

Streamlined Reporting to Council – Reporting to Council on progress towards completing Council priorities was streamlined so that a report is provided on a quarterly basis rather than monthly. This change resulted in savings of about 84 hours of staff time per month.

Employee Compensation Review

In February, Council approved the implementation plan to address the Employee Compensation Review recommendations. Administration conducted a detailed analysis and developed policies to align with Council's direction.

Application and reporting processes for City grants to community groups

Administration drafted a policy that will be presented to the Standing Committee on Finance in early 2012.

Evaluate the 2011 budget process

The 2011 planning and budget process was reviewed and several efficiencies identified which will be implemented in 2012.

CONNECTING OUR COMMUNITY AND REGION

Public Communication and Consultation

Public Consultation Process. Administration held a Roundtable Discussion with community stakeholders to obtain input on improving public engagement and communication including social media.

Social Media – The City of St. Albert now has Facebook (www.facebook.com/cityofstalbert) and Twitter (www.twitter.com/cityofstalbert) accounts that provide information about programs, events, activities, projects and news relevant to residents, local businesses and visitors. By year end, there were 225 "likes" of the corporate Facebook and 518 followers of the corporate Twitter. Social media was used to promote the 2012–2014 Corporate Business Plan and Budget deliberations to encourage public engagement.

Web Streaming Council Meetings – Public Benefit Technology LLC (PBTech) was selected as the vendor for web streaming Council meetings. Web streaming commenced on December 5, 2011. Viewers can open the meeting agenda while watching a specific agenda item or watch archived footage. Council meetings can be watched at www.stalbert.ca/city-council-live.

Council approved a budget to outfit a boardroom with A/V equipment to enable web streaming of the Standing Committee on Finance meetings in 2012.

Council Column – Council Columns were published in the Gazette and on the City's website providing individual Councillors an avenue to express their views, reasoning, opinions etc., to the public.

150TH ANNIVERSARY

St. Albertans celebrate their history, arts and culture during a year-long 150th Anniversary.

DELIVER EXCEPTIONAL YEAR-LONG 150TH ANNIVERSARY CELEBRATION ACTIVITIES

A wide range of events and activities were delivered over the course of the year including the following:

The Black Bonspiel of Wullie MacCrimmon

The play took place in the renovated St. Albert Curling Club with 340 people attending five performances over three days.

Canadian Western Bank Rendezvous 2011 Gala

The Gala was held on January 22 at the Hole's Enjoy Centre. St. Albert honoured its past, celebrated the present and laid the groundwork for igniting the future. The event sold out with over 560 attendees.

Snow Festival

To celebrate Family Day, the Snow Festival was held on February 21, 2011 at Lacombe Park Lake. An estimated 2,500 to 3,000 people attended the event and enjoyed sleigh rides, games, cabane à sucre, milk jug curling, skating and treats.

The Rendezvous 2011 Battle of the Bands

A large crowd of all ages attended the Battle of the Bands on Canada Day in front of St. Albert Place with five competing bands. The Youth Subcommittee initiated the event.

Rendezvous 2011 Picnic

The Rendezvous 2011 Picnic was held over the 9.5km stretch of Red Willow Park along the river from Kingswood to Kinsmen Park. Approximately 10,000 people attended and participated in ten unique activity zones.

The 150th Anniversary Office Closes

The Committee's final meeting was on December 7 where a decision was made to transfer all remaining resources to The Spirit of St. Albert, a not-for-profit organization whose mandate is to "embrace the vitality of the People in St. Albert through Events and Celebration."

ADVOCATE FOR FUNDING TO SUPPORT THE OPERATIONAL AND LEGACY PROJECTS OF THE 150TH ANNIVERSARY

The committee actively sought grants and sponsorship opportunities throughout the year in order to support operational and legacy projects.

Council approved funding for the Spirit of St. Albert to carry out a number of legacy activities in the future.

SUPPORT THE COMMUNITY AND ITS VOLUNTEERS IN THEIR PROVISION OF 150TH ANNIVERSARY ACTIVITIES

The committee continued to rely on volunteers in order to plan, organize and deliver various events throughout 2011. In 2011, 14,269 volunteer hours were recorded.

Volunteer Appreciation Event

The Volunteer Appreciation Event took place on October 25 at the Arden Theatre. Each volunteer was presented with a gift bag and a voucher for the commemorative photo and poetry book.

Sponsor Appreciation Events

The Sponsor Appreciation Event took place on November 18. Attendees received plaques created by members of the St. Albert Potters Guild and certificates.



Square dancing in the celebration of St. Albert's 100th anniversary, 1961.



Soapbox Derby--Father's Day Sunday June 19, 2011



A good time was had by all who braved one of the worst winter storms on record to attend "The Black Bonspiel of Wullie MacCrimmon," January 14-16, 2011.

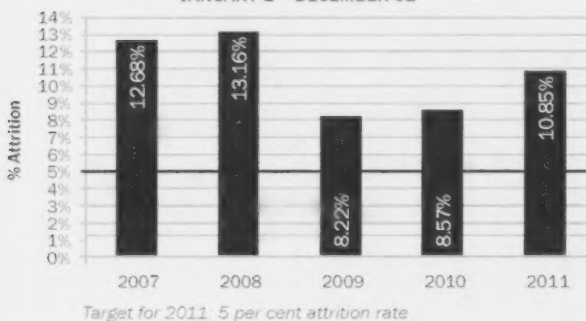
OTHER ITEMS

ATTRACT AND RETAIN HIGH-QUALITY EMPLOYEES

Employee Attrition

The employee attrition rate increased in 2011 compared to 2010 and 2009. The current attrition rate of 10.85 per cent is significantly higher than the five per cent target for 2011.

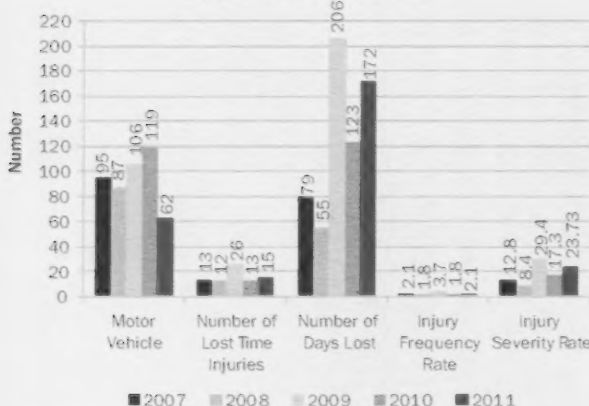
PERMANENT EMPLOYEE ATTRITION
JANUARY 1 - DECEMBER 31



Safety Statistics

The following graph illustrates safety statistics for 2011 compared to the previous four years. The number of days lost increased in 2011 due to one lengthy absence.

EMPLOYEE SAFETY
JANUARY 1 - DECEMBER 31



Definitions:

Injury Frequency Rate = No. of Injuries x 200,000/Total Hours Worked

Injury Severity Rate = No. of Days Lost x 200,000/Total Hours Worked

The 2011 International Children's Festival was a success, with 60 artists participating and 59,169 visitors. Volunteers contributed 15,000 hours to ensure the success of various festival activities.



Employee Appreciation Evening

The Annual Employee Appreciation Evening was held in February with 202 employees in attendance and 42 employees receiving long-service awards.

DELIVER PROGRAMS AND SERVICES THAT MEET OR EXCEED OUR STANDARDS

The Alberta 55 Plus Winter Games

The Games were held in February with 13 sporting events: alpine skiing, badminton, bowling, cross country skiing, curling, darts, euchre, pool, shuffleboard, hockey, carpet bowling, scrabble and duplicate bridge. There were over 1,100 participants, 300 non-participating guests and 615 volunteers.

The 2011 Continental Cup of Curling

This was a precedent-setting event at Servus Place which put the facility and the City of St. Albert in the international spotlight. The event was attended by over 20,000 people over a four-day period and had 28 hours of air time on TSN.

The Esso Cup National Female Midget Hockey Championships

The Cup was held in April with six teams from across Canada participating. This national event attracted approximately 6,000 spectators and included customized ice with Hockey Canada branding, a live broadcast of the tournament through "Fasthockey" and live TSN broadcast.

The St. Albert Skating Wall of Fame

The Wall of Fame was unveiled in the Performance Arena in Servus Place on September 5, 2011. Twenty-four inductees were honoured for achieving national or professional accomplishments.



Dog sled racing at the Winter Carnival in February 14, 1977.

International Children's Festival

The 2011 festival was a success, with 60 artists participating and 59,169 visitors. Volunteers contributed 15,000 hours to ensure the success of various festival activities. Survey results showed: 100 per cent of the public and 88 per cent of school groups intend to visit the Festival in 2012; and 97 per cent of the public and 93 per cent of school groups would recommend the Festival to a friend or colleague.

St. Albert Children's Theatre

Improvisation classes started in September, with 28 students registered in two different classes.

The production of "Peter Pan" had a successful run from November 24 to December 4. There were over 14 performances with an overall attendance rate of 92 per cent.

Plans continue for the next season's productions of "The Musical Adventures of Flat Stanley" and "Legally Blonde".

Cultural Programs

Participation numbers for Visual Arts Programs and Performing Arts increased slightly in 2011 compared to 2010. Participation in the St. Albert Children's Theatre decreased due to a location change that limited the number of approved participants.

The Arden Theatre attendance also decreased when compared to previous years. The decrease in attendance was due to fewer shows booked during 2010-2011 and the closure of the theatre for renovations.

Cultural Programs for the Period of January 1 to December 31	2007	2008	2009	2010	2011
Visual Arts Programs*	n/a	n/a	371	474	486
Performing Arts	846	738	565	351	358
St. Albert Children's Theatre	270	392	465	482	363
Arden Theatre Attendance	70,226	62,363	72,651	70,234	68,617

*As Visual Arts Program participants were tracked using a different method in previous years, numbers can not be compared.



January 2011, Servus Place released the results of its 2010 Customer Service Survey. 94 per cent of respondents were somewhat satisfied (9%) satisfied (55%) or very satisfied (30%) overall with the facility and that 93 per cent would recommend facility membership to others.

Aquatics Programs

Participation in swim lessons and swim meets increased in 2011 compared to 2010. Attendance for recreational and competitive swimming decreased due to facility closure for filter replacement. Attendance at Grosvenor Pool also decreased in 2011 due to a shorter (weather related) season.

Aquatics Programs Attendance for the Period of January 1 to December 31	2007	2008	2009	2010	2011
FPRC* Swim Lessons	117,661	112,232	118,013	128,504	136,908
FPRC Recreational Swim	153,104	154,790	156,174	143,463	135,574
Swim Meets	4,078	2,850	3,529	4,065	4,842
Competitive Swim	10,352	10,371	8,589	8,856	6,556
Grosvenor Public Swim	21,495	20,574	15,749	16,826	14,837

* Fountain Park Recreation Centre

Servus Place

The following table shows Servus Place participation for 2011 compared to the previous three years. Servus Place continues to have strong participation levels.

Servus Place Participation* For the Period of January 1 to December 31	2008	2009	2010	2011
Average Memberships per Month	7,005	6,932	7,154	7,064
Paid Pass Units	104,016	123,739	142,217	139,365
Fitness and Wellness Centre Users	261,742	304,248	316,733	320,434
Child Minding Attendees	9,228	9,451	9,693	10,766
Landrex Water Play Centre Users	227,847	238,536	288,744	298,234
Hours of Rented Space	14,009	12,916	16,149	16,744
Fitness Registered Program Participants	24,470	29,065	39,453	38,986
Fitness Drop-in Program Participants	24,779	31,876	36,308	35,521
Servus Recreation Registered Program Participants	10,316	8,358	9,371	9,413
Servus Recreation Drop-in Program Participants	14,396	14,875	22,011	22,471
Community Recreation Registered Program Participants	n/a**	8,051	9,711	8,829
Community Recreation Drop-in Program Participants	n/a**	6,283	4,350	5,055

*Servus Place used a different system to collect data prior to 2008

** These programs were offered by Recreation Services in 2008

** Programs



Citizens enjoying a game of hockey at the skating pond, 1930s.

Transit Commuter Ridership

Transit commuter ridership increased by 0.5 per cent compared to 2010. Current ridership is 96 per cent of the annual target, which is slightly below the expected pace.



ENSURE OUR CUSTOMERS ARE VERY SATISFIED

Outdoor Public Art Map

The map was developed to help people learn about St. Albert's Public Art collection. A brochure will be available on the City's website in early 2012.

Community Recognition Program

Sculptures were placed on the northeast corner of Perron Street and Sir Winston Churchill Avenue to honour individuals and groups for their exemplary commitment to demonstrating excellence and for being community builders in the categories of arts and culture, citizenship, professional achievement and sports. Artist Terry Reynoldson completed the sculptures that were installed and unveiled in July.

Shred-It Event

The City of St. Albert, Shred-it, the RCMP, the St. Albert Food Bank and the Alberta Motor Association (AMA) teamed up in May to sponsor the fourth annual Shred-it Event. The event was a huge success with 12,000 kg of paper recycled, compared to 8,165 kg in 2010. Over 600 residents brought more than 700 boxes of personal information, CDs and electronics to be confidentially destroyed.

Servus Place Business Partners

Getting brand coffee at Servus Place was often requested by Servus Place patrons. Servus Place worked with Starbucks Coffee to provide users with a branded coffee option and to enhance the facility as a community gathering space, opening a licenced operation in November.

Community Special Events

A large portion of community special events are supported by City staff. In 2011, over 70 community special events took place including:

- Film screening of "A Living History of Métis"
- Unveiling of "Heart of our community" Mural
- St. Albert Enerflex MS Walk
- Art Walk
- Historic Walking Tour
- Roy Financial Mayor's Walk
- Red Willow Park Recognition Program and George Todd Memorial Trail Opening
- Snowflake Festival
- Special Olympics Fundraising
- New Year's Eve Fireworks

Financial Statement Discussion and Analysis

The City of St. Albert's 2011 Annual Report provides an opportunity for the City to communicate with stakeholders and other readers regarding its recent financial performance, including significant financial practices, strategies, and events.

The Annual Report includes the City's consolidated financial statements, prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). Management has made every effort to ensure the financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2011. Included entities are the City, its Utilities, the St. Albert Public Library, and the Arts and Heritage Foundation of St. Albert.

The City's auditor, Deloitte & Touche LLP, has audited the financial statements and has provided the accompanying Independent Auditor's Report. The financial statements and Independent Auditor's Report satisfy a legislative reporting requirement as set out by the Alberta Municipal Government Act.

This Financial Statement Discussion and Analysis (FSD&A) reports to stakeholders on how the financial resources entrusted to the City are being managed to provide municipal infrastructure, programs, and services. The FSD&A explains the significant differences in the financial statements between the reported year and the previous year as well as between budgeted and actual results. The FSD&A also identifies trends, risks and anticipated events that could have financial implications on the operations of the City.

The FSD&A should be read in conjunction with the audited financial statements and accompanying notes, and responsibility for the preparation of both the financial statements and the FSD&A rests with the City's management. The City's 2011 Consolidated Financial Statements include:

1. Consolidated statement of financial position. This statement is a summary of financial assets and financial liabilities, net debt, non-financial assets, and accumulated surplus as at December 31. The statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.
2. Consolidated statement of operations and accumulated surplus. This statement outlines revenues and expenses, in total describing the net change to accumulated surplus for the year.



1944 Tax Roll and Assessment Book



The City's 2011 residential tax increase of 3.24 per cent was below the average property tax increase across the Capital Region.

3. Consolidated statement of changes in net debt. This statement reports changes in future revenue requirements. The annual surplus is provided, with reversals for tangible capital asset acquisitions, disposals, amortizations and sales. The change in net debt is an indicator of whether revenues raised in the year were sufficient to cover current year spending.
4. Consolidated statement of cash flows. This statement is a summary of how the City's cash and cash equivalents position changed during the year, highlighting activities related to operating, capital, investing, and financing.

1853: Father Lacombe takes permanent residence in Lac Ste. Anne

1861: The proposed mission site is investigated and Bishop Taché's blessing is given

1862: The first bridge west of the Great Lakes is built across the Sturgeon River.

1861: The Father Lacombe Chapel is built, the first crops were planted and harvested, thirty lots have been taken and ten houses have been built.

FINANCIAL HIGHLIGHTS

Overall, the City's financial position improved as of December 31, 2011. This positive result was the product of a number of factors reflected within the financial statements, including:

- The consolidated statement of financial position reported an improved accumulated surplus of \$32.8 million to \$740.6 million at December 31, 2011. While financial assets decreased by \$5.6 million to \$90.7 million, financial liabilities also decreased by \$4.7 million to \$113.3 million, due to the City's focus on debt retirement. A \$33.7 million increase in non-financial assets to \$763.2 million was also realized, resulting from the acquisition of various tangible capital assets throughout the year.
- The consolidated statement of operations and accumulated surplus reported a 2011 Annual Surplus of \$32.8 million. This was the result of consolidated revenues of \$154.4 million and consolidated expenses of \$135.6 million. Overall revenue decreased by \$9.3 million compared to the prior year results, primarily due to a decrease in government transfers. This decrease was somewhat offset by revenue increases in property taxes and sales and users fees. Overall expenses increased by \$3.2 million compared to the prior year results, primarily due to an inflationary increase in all expense categories.
- The consolidated statement of cash flows reported a year-over-year decrease of \$2.1 million in the City's cash and cash equivalents position, to \$35.4 million. This decrease was primarily the result of the City's repayment of long-term debt and its investment activities. Specifically, the City repaid \$5.0 million in long term debt to reduce total amounts owing to \$61.2 million, and continued to apply its investment policy which resulted in the investment of excess cash to capitalize on higher long-term investment returns.

SIGNIFICANT VARIANCES OR EVENTS

While the City was able to implement its business plans and budgets essentially as expected, the City's financial statements were affected by a number of unexpected events during the year. These events resulted in variances, both favourable and unfavourable, in relation to the City's initial operating budget expectations.

These variances in the City's operating budget/activities affected the City's operating budget surplus. Significant unfavourable variances included an increase in snow removal expenses (\$0.50 million), a shortfall in Photo Radar fine revenue (\$0.28 million), a shortfall in license and permit revenues (\$0.25 million), and a shortfall in municipal enforcement fine revenue (\$0.24 million). These were offset by significant favourable variances related to recovered costs (\$0.54 million), insurance claims expense (\$0.32 million), community services and affordable housing grant revenue (\$0.30 million), lessons/admissions/recreation fees (\$0.29 million), RCMP contract (\$0.24 million), and donations/other (\$0.14 million). The combined variances resulted in an operating budget surplus of approximately \$0.55 million, of which \$0.50 million was transferred by City Council to its Stabilization Reserve.

The City's cash and cash equivalents position experienced a decrease of \$2.1 million in 2011, mainly as a result of the City's efforts to repay long term debt and invest excess cash in a conservative bond portfolio. This investment strategy resulted in higher investment returns for the City, while maintaining the City's ability to ensure that appropriate levels of working capital are maintained. Significant events included:

- A repayment of \$5.0 million in long-term debt. This resulted in an improved debt position of \$61.2 million from \$66.2 million.

1868: Bishop Grandin arrives in St. Albert with 14 recruits for the Mission.

1871: Bishop Grandin becomes first Bishop of St. Albert.

1863: Grey Nuns arrive from Lac Ste. Anne.

1870: Grey Nuns first Hospital ward is built onto the convent.

- A \$33.9 million increase in the value of the City's tangible capital assets, to \$761.7 million. These tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc., and are critical to the City's ongoing ability to support overall quality of life in the community.
- A \$7.2 million decrease in the City's reserve balance (i.e. restricted accumulated surplus), to \$44.3 million. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use, and are required in accordance with detailed future modeling and replacement plans.

FINANCIAL ANALYSIS REVIEW

VARIANCE ANALYSIS

Budget variances within the City's operations, as compared to the approved budget include:

Significant Favourable Variances	Amount
Recovered Costs	539,000
Insurance Claims Expense	317,000
Community Services and Affordable Housing Grant Revenue	297,000
Recreation Passes Admissions & Lesson Fees	289,000
Police Prevention - RCMP Contract	239,000
Donations and Other	143,000
Subtotal	\$1,824,000
Significant Unfavourable Variances	Amount
Snow Removal	(504,000)
Photo Radar	(282,000)
Licenses and Permits	(251,000)
Municipal Enforcement - Fees	(238,000)
Subtotal	(\$1,275,000)
Year End Operating Surplus (excluding utilities, library and the Arts & Heritage Foundation)	\$549,000

Of the year-end \$549,000 operating surplus, \$500,000 was transferred, in accordance with City Council's direction, to the municipal Stabilization Reserve. The remaining \$49,000 contributes to the City's overall accumulated surplus position.

FINANCIAL ASSETS

The Consolidated Statement of Financial Position summarizes the City's financial asset position as at December 31, 2011. The City's financial assets decreased by \$5.6 million to \$90.7 million at the end of 2011, primarily due to the acquisition of tangible capital assets. The majority of this decrease was the decrease in cash and cash equivalents of \$2.1 million to \$35.4 million and a decrease in investments of \$4.1 million to \$44.0 million at the end of 2011. Other factors included a \$0.4 million increase in accounts receivable to \$9.0 million and a slight increase of \$0.1 million in taxes receivable to \$2.3 million. Inventories and lands held for resale were essentially unchanged.

These results reflect the City's continued stable financial asset position, and continued application of its Cash Management Policy and Investment Policies. The City maintains a sufficient amount of resources that could be converted to cash if necessary, as well as assets available to address current and future liabilities or commitments.

The City's accumulated surplus of \$740.6 million is the product of the minor general surpluses or deficits in each of the City's entities over the years, plus significant amounts restricted as reserves or invested in tangible capital assets.

The City's reserve balance decreased by \$7.2 million over prior year results. Schedule 1 to the consolidated financial statements provides details relating to the \$44.3 million reserve balance. Reserves are an important tool used by municipalities to set aside funds to replace existing capital assets, respond to emergent needs, and fund future capital projects.

1878: Louis Chastelain opens his store on River Lot 24

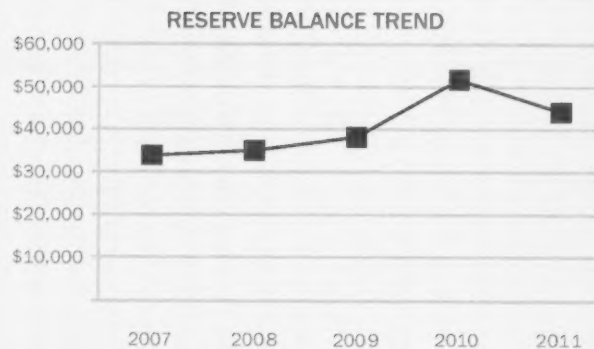
1880: St. Albert's first post office official opens. Father Leduc was the first postmaster

1879: New home for the Bishop is completed west of the Cathedral. One bell arrives from France; the Piron Family in France donates a total of three bells to the Mission.

1885: First telephone call was from Alex Taylor (Edmonton) to Henry McKenney (St. Albert). This message was recorded.

High reserves can contribute to a municipality's fiscal health, but reserve balances may increase for a time and then decrease significantly to address planned capital requirements. Historically, the City of St. Albert has taken a rather conservative approach to reserve accumulation. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use.

In order to improve the accountability, planning and management of its reserves, the City has established a Reserve Policy C-FS-01. This policy and the related administrative processes support accountability, transparency, clear monitoring and reporting, long-term fiscal planning, and improved cash management by identifying cash flows which will assist in potential longer-term investment opportunities and internal financing capacity. Initial establishments of reserves, as well as transfers to and from reserves, requires the approval of City Council.



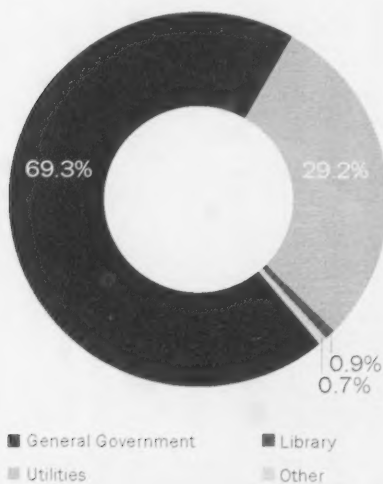
FINANCIAL LIABILITIES

The Consolidated Statement of Financial Position summarizes the City's financial liability position as at December 31, 2011. The City's total financial liabilities of \$113.3 million improved by \$4.7 million compared to prior year results, primarily due to a decrease in the City's long-term debt.

The City's repayment of \$5.0 million in long-term debt improved its debt position to \$61.2 million from \$66.2 million. Other financial liabilities include accounts payable and accrued liabilities of \$13.9 million, which have decreased by \$4.1 million from \$18.0 million in 2010. Deferred revenue totalling \$33.4 million increased by \$4.2 million from \$29.2 million in 2010. Use of these deferred revenues remains restricted until the timing or conditions associated with the revenue have been satisfied.

The majority of the City's existing long-term debt relates to two projects approved in 2004—the first stages of Ray Gibbon Drive and the construction of Servus Credit Union Place. These two projects alone, due to their significance, resulted in two 20-year external borrowings that increased the City's debt by approximately \$22 million and \$38 million, respectively.

2011 OPERATING AND CAPITAL RESERVES BY TYPE



1889: Samuel Cunningham opens the first road from St. Albert to Edmonton.

1896: St. Albert Métis Association is formed, led by President Octave Bellerose.

1895: Grey Nuns open the Industrial School and had 85 pupils. A boys band was formed and was well-received throughout the area.

1898: St. Albert is consolidated as a village.

While the debt requirements for the two major projects were significant, the City will remain within debt limits established by the Province of Alberta and the stricter limits the City has established for itself through its Debt Management Policy C-FS-03. As borrowings are retired over the next 20 years the City's debt position will continue to improve.

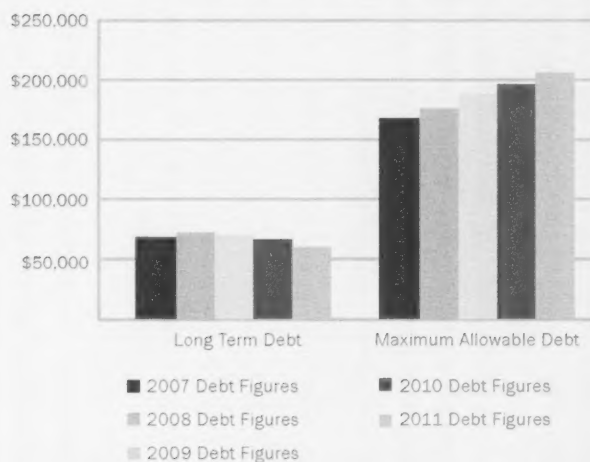
The City's Debt Management Policy C-FS-03 is used to manage borrowing capacity for future capital assets, maintain maximum flexibility of current operating funds, and limit the impact that debt charges will have on future tax and utility rates through internal limits on borrowing. All borrowing completed by the City has been in the form of debentures through the Alberta Capital Finance Authority. These borrowings leverage the Province of Alberta's strong debt rating and the combined borrowings of other municipalities and education authorities. Interest rates are established at the time of borrowing and remain constant throughout its term, eliminating the risk associated with rate fluctuations. Debt servicing payments are made annually or semi-annually.

NET DEBT

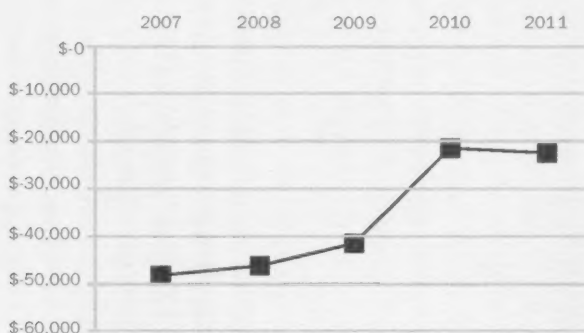
A government's net debt position is a function of its total financial liabilities exceeding its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/amortizations, and treatment of other inventories or expenses. The Consolidated Statement of Changes in Net Debt summarizes the City's net debt position, which increased by \$1.0 million to \$22.6 million due to the City's decrease in financial assets and increase in financial liabilities. The minor change was the net result of a decrease in cash and cash equivalents and a smaller decrease in long-term debt.

Overall, an increasing negative net debt position is not necessarily a sign of poor fiscal health. This calculation is strongly influenced by the City's efforts to reduce other liabilities such as its infrastructure deficit, which requires a focus on tangible capital asset maintenance and acquisition. Nevertheless, a reduction in this area would be considered a sign of improving fiscal condition, and is a factor the City should continue to monitor.

LONG TERM DEBT VS. DEBT CAPACITY



NET DEBT POSITION



1902: The town of St. Albert is incorporated by decree of the North West Territories

1904: The first municipal election was held. Cheri Hebert was the first Mayor of St. Albert

1910: Mission Park is given to the Town by Bishop Legal, O.M.I. for \$1.00 to serve to build schools and a public park

1909: The first garage and machine shop is opened by the Pelletier Bros.

NON-FINANCIAL ASSETS

Non-financial assets, summarized on the Consolidated Statement of Financial Position, include tangible capital assets, inventories of materials and supplies, and prepaid expenses. In 2011, the value of the City's non-financial assets increased by \$33.7 million to \$763.2 million. The majority of this increase related to an increase in tangible capital assets of \$33.9 million, to \$761.7 million. Tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc. These assets provide significant value to the community, as these assets directly impact a community's productivity, level of investment, and overall quality of life.

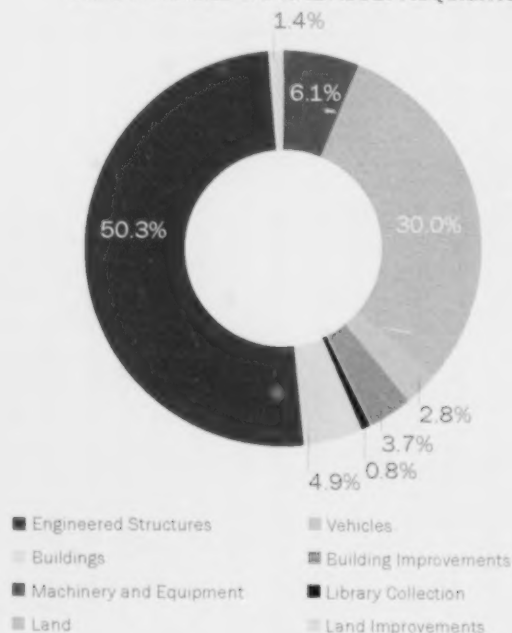
Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value, of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from 5 to 75 years. Prior to 2009, tangible capital asset additions were expensed in the year of acquisition and construction. In 2009, the City implemented PSAB section PS 3150—Tangible Capital Assets, which was an important step in improving the management of the City's assets. This implementation also had large implications across the corporation, as it required a complete inventory of tangible capital assets and adjustments to business and financial policies, processes, and systems. The City will continue to refine and enhance its implementation and ongoing sustainment efforts to maintain compliance with this new standard.

The City's investments in capital infrastructure are in accordance with its approved Capital Budget and 10 Year Capital Plan. City Council approves budgets for each capital project based on the maximum forecast expenditure for the year to accommodate the associated planning and scheduling requirements.

There is typically a portion of the year's budget carried forward to future years for projects not completed within the fiscal year, and as a result budgets are not directly comparable with current year actual amounts.

In 2011, capital spending was primarily focused on engineered structures and land improvements. Of the City's total capital spending, \$54.2 million qualified as tangible capital assets acquisitions. The City plans to continue to maintain its commitment to infrastructure maintenance and upgrades over time, as a means to address the elements within its 10 Year Capital Plan.

2011 TANGIBLE CAPITAL ASSET ACQUISITIONS



1916: On December 12, Father Lacombe passes away at the age of 89.

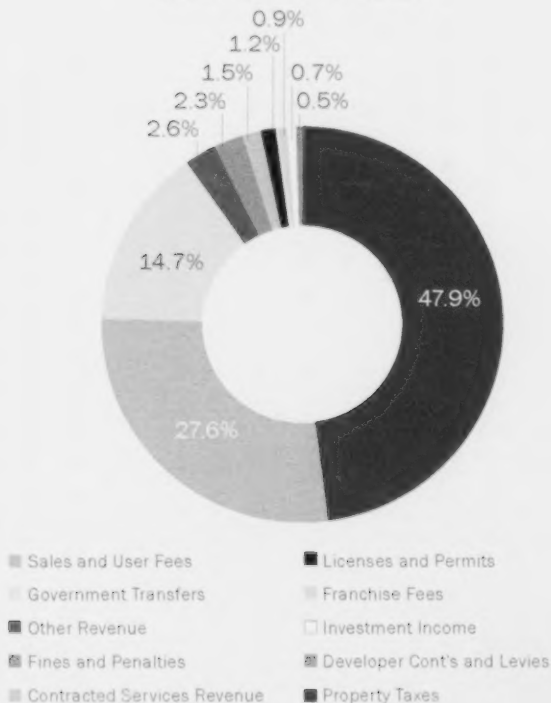
1925: Business tax is instituted and peddlers must pay licence fee.

1913: In an attempt to drive a steam engine over the wooden bridge, Mr. McCauley crashes the heavy tractor through the bridge. Tragically Mr. McCauley dies. The wooden bridge was replaced by the present steel bridge.

1920: The Oblate Brothers erect the first Grotto. When it was completed it stood 12 feet high and 35 feet long.

REVENUES

2011 REVENUE BY OBJECT



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's revenues. Consolidated City revenues of \$154.4 million were \$13.7 million higher than budgeted amounts for 2011, mainly as a result of significantly higher than expected government transfers. The performance over budget was further enhanced by higher than expected sales and user fees and other revenue. Overall, some of the City's revenues fluctuate with economic conditions, yet its main sources of revenue (property taxation, sales and user fees, and government transfers) are considered relatively stable.

Property Taxation revenue of \$74.0 million was in line with budget estimates. This figure was higher than 2010 (\$69.8 million) as a result of a general municipal property tax increase. The City's 2011 residential tax increase of 3.24 per cent was below the average property tax increase across the Capital Region. The City relied on property taxation for municipal purposes for over 48 per cent of its total revenues in 2011.

Sales and User Fees of \$42.6 million were \$1.4 million higher than budget estimates. This figure was slightly higher than 2010 (\$39.9 million) as a result of an overall increase that was applied to the majority of user fees charged by the City. The City continues to apply a user pay philosophy in its operations, as per its policy-based fee approach. The City relied on sales and user fees for nearly 28 per cent of its total revenues in 2011.

Government Transfers of \$22.8 million were \$10.2 million higher than budgeted. In 2010 the Province of Alberta consolidated a number of its grant programs and amended the terms for its Municipal Sustainability Initiative (MSI) to defer payments over a longer time period. The City relied on government transfers for nearly 15 per cent of its total revenues in 2011.

Contributed Assets of \$15.1 million exceeded budget estimates as the City does not budget for this type of revenue. This figure was higher than 2010 (\$4.5 million) as a result of local development companies completing more infrastructure development than the prior year.

Developer Contributions and Levies of \$0.8 million exceeded budget estimates as the City does not budget for this type of revenue. This figure remained consistent with that of 2010 (\$0.7 million).

Other Revenue of \$4.0 million was \$2.6 million higher than budgeted primarily due to unanticipated one time contributions. This figure was significantly higher than 2010 (\$1.7 million).

1928: Calgary Power supplies light, heat and power to domestic and commercial users. Existing street lights are replaced with all-night street light service.

1933: Road signs limiting the speed of cars through the town are erected.

1929: A landing is built to the River to make it easier for people to draw water.

1939: The log building that served as a Town Hall is torn down.

Fines and Penalties of \$3.6 million were \$0.8 million lower than budgeted primarily due a decrease in photo radar fine revenue. This figure was also lower than 2010 (\$4.2 million).

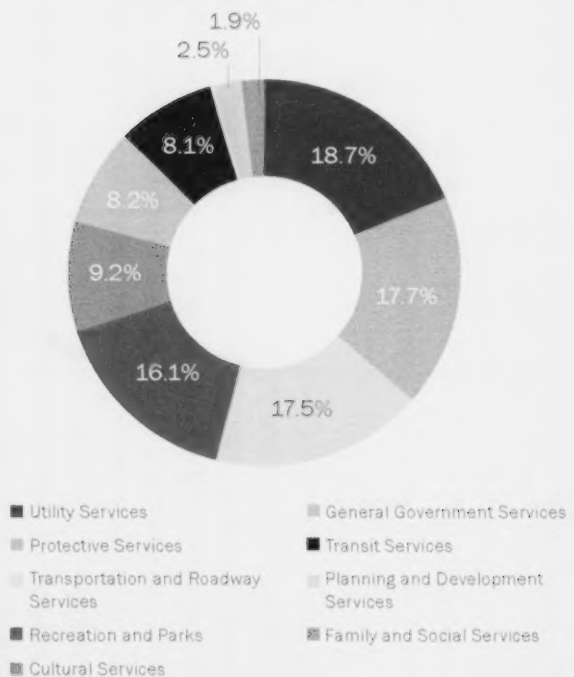
Licences and Permits of \$1.8 million were \$0.2 million lower than budgeted primarily due to a decrease in the issuance of subdivision and development permits. This figure remained consistent with 2010 (\$1.7 million) as a result of continued sluggish development activity across the community. This category is highly sensitive to economic conditions.

Franchise Fees of \$1.4 million were slightly below budget for 2011 (\$1.6 million). This figure was higher than 2010 (\$1.0 million) as a result of the City's new franchise fee calculation methodology that is based on the cost of delivery rather than commodity-related market pricing.

Investment Income of \$1.1 million was \$0.2 million lower than budgeted primarily due to lower rates of return than originally anticipated. This figure was higher than 2010 (\$0.8 million) as a result of improved market conditions and higher than expected rates of return within the City's investment portfolio.

EXPENSES

2011 EXPENSES BY FUNCTION



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's expenses. Consolidated expenses of \$135.6 million were \$19.4 million higher than budgeted amounts for 2011, mainly as a result of the City's current practice not to budget for amortization costs. Amortization costs were particularly pronounced in the areas of recreation and parks, utility services, and transportation and roadway services.

Protective Services expenses of \$24.7 million were on budget for 2011 (\$24.7 million). This figure was slightly higher than 2010 (\$23.8 million).

1945 John E. LeClair is elected Mayor of St. Albert from February 1945–1946. He was actively involved in the community as a Justice of the Peace and Commissioner for Oaths.

1950: Garbage collection begins

Recreation and Parks expenses of \$23.0 million were \$5.3 million higher than budgeted primarily due to unbudgeted amortization costs and unbudgeted expenditures for various capital projects. This figure was slightly higher than 2010 (\$22.9 million) as a result of a general increase in salaries and wages and materials, goods and utilities.

Utility Services expenses, including water, wastewater, storm water, and solid waste, of \$26.0 million, were \$4.6 million higher than budgeted primarily due to higher salaries wages and benefits and higher contracted services. This figure was higher than in 2010 (\$25.4 million) as a result of increases for salaries and wages. The City does not subsidize its utilities through general taxation, and does not receive a return on investment or dividend return from its utilities.

Transportation and Roadway Services expenses of \$21.1 million were \$10.3 million higher than budgeted primarily due to unbudgeted amortization costs and higher salaries, wages and benefits. This figure was higher than in 2010 (\$18.9 million) as a result of increases for contracted and general services, electricity and salaries and wages.

General Government Service expenses of \$11.1 million were \$4.5 million lower than budgeted primarily due to the City's practice to budget for salary cost of living adjustments corporately while applying actual expenses to individual program areas. This figure was lower than in 2010 (\$12.1 million) primarily as a result of a decrease for contracted and general services.

Transit Services expenses of \$11.0 million were \$1.5 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was higher than 2010 (\$10.3 million) as a result of increases in the cost of fuel and to the contract for transit drivers.

Cultural Services expenses of \$12.5 million were \$2.4 million higher than budgeted primarily due to unbudgeted amortization costs and materials, goods & utilities. This figure was higher than in 2010

(\$11.6 million) as a result of increases for materials, goods & utilities and other expenses.

Planning and Development Services expenses of \$3.5 million were on budget. This figure was lower than 2010 (\$4.6 million).

Family and Social Services costs of \$2.6 million were slightly lower than the budget in 2011 (\$2.7 million). This figure was comparable to 2010 (\$2.7 million).

Included in the above results are debt servicing costs of \$7.2 million. This figure was slightly lower than 2010 (\$8.0 million), and debt servicing costs are expected to continue to decrease as borrowings are retired over the next 20 years.

ANNUAL SURPLUS

During 2011, the City realized an excess of revenue over expenses in the amount of \$32.8 million. This amount represents the City's Annual Surplus, which is summarized within the Consolidated Statement of Operations and Accumulated Surplus.

The Annual Surplus positively impacts the City's net debt position, but is reduced by the tangible capital asset activities such as acquisitions (\$54.2 million) and amortization costs (\$19.2 million). These activities and other acquisitions or consumptions resulted in an overall decrease in net debt of \$1.0 million.

The City's operating activities also resulted in a modest budget surplus. This budget surplus was the result of an excess in total revenue available for operations relative to total expenses less amortization costs, long-term debt repayments, and transfers. As the Statement of Operations and Accumulated Surplus is based on full accrual accounting and includes amortization expense, revenue from government transfers for capital, and revenue from contributed assets, a reconciliation between the surplus on the Statement of Operations and Accumulated Surplus and the City's operating budget results is required. This reconciliation is provided in note 15 to the consolidated financial statements.

1954: The Town of St. Albert celebrates its 50th anniversary

1959: Town buys pumper truck and hires full-time Fire Chief, Fred Teterenko. Moves to full-time fire service. Insurance rates in the town go down.

1956: An anonymous donor gives Lions Club seven acres of land beside the river. The town gives them another seven acres, Lions Club builds ball park, playground and picnic tables

CASH FLOWS

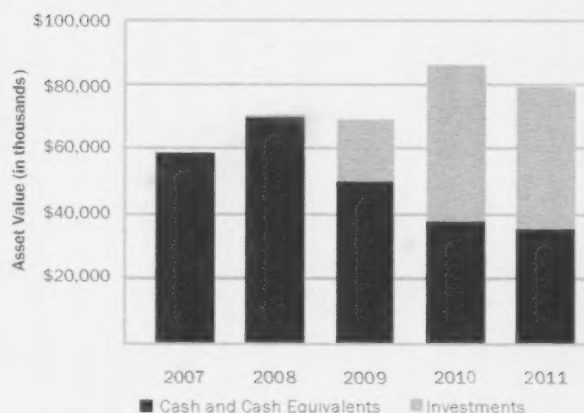
The Consolidated Statement of Cash Flows summarizes the City's sources and uses of cash. During 2011, the City's cash and cash equivalents position decreased by \$2.1 million to \$35.4 million. This decrease was a direct result of the application of the City's Cash Management Policy C-FS-04 and Investment Policy C-FS-02, which prescribes how excess cash is invested in a conservative bond portfolio.

The City's cash position is closely managed and remains adequate, along with short-term investments, to meet ongoing requirements. Management will also continue to conduct analyses to ensure that appropriate levels of working capital are maintained to maximize investment returns, maximize internal borrowing or debt prepayment opportunities, and minimize interest expenses or overdraft charges.

The City's Investment Policy C-FS-02 is used to ensure its investments conform to all provincial statutes and regulations while optimizing investment returns, providing maximum security of principal and meeting the City's daily cash flow requirements. Investments are limited to instruments in which the principal is unconditionally guaranteed, and investment performance is benchmarked against the three month Federal Treasury Bill rate. A report on the City's investment portfolio is presented to City Council on a quarterly basis to ensure accountability for the nature and diversification of the portfolio to the investment policy.

In 2011, the City's long-term bond portfolio had effective rates of 2.43 per cent to 3.78 per cent, with maturity dates ranging between 2013 and 2017. The City's short-term investments had effective rates between 1.63 per cent and 2.10 per cent with maturity dates ranging between three months and one year. Both of these returns compare favourably to the 2011 Three Month Treasury Bill average return of 0.91 per cent.

CASH AND CASH EQUIVALENTS VS. INVESTMENTS



FINANCIAL CONTROL AND ACCOUNTABILITY

The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

Financial Governance

Notwithstanding that the City's management is responsible for the preparation of the FSD&A and financial statements, the City's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council has established a Standing Committee on Finance to conduct these reviews, and also to assist Council by making recommendations on these matters. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

1964: Kinsmen Club formed. The first rodeo was in 1965 to celebrate St. Albert's 104th birthday and it was called "Rodeo 104". It wasn't called Rainmaker until several years later.

1961: The Town of St. Albert celebrates its 100th anniversary. Events included Grey Nuns Day, family picnics, jet plane acrobatics and a soap box derby.

1974: The Town of St. Albert assumed the responsibility for transit provision. Edmonton Transit System was contracted to operate three buses to Edmonton during peak hours (fare \$0.50), carrying around 300 people daily.

Budgeting and Financial Reporting

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes an annual operating budget each year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community, and represents City Council's priorities as identified in the City's Strategic Plan, Business Plan, and other sources. From year to year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on the modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers for operating to balance its operating budget. The operating budget does not include revenue from contributed assets, government transfers for capital, or amortization expense.

The City also prepares an annual capital budget based on the long-term projections of its 10 Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis, and funded through a variety of mechanisms such as tax revenues, reserve transfers or government transfers. As there is typically a portion of the capital budget carried forward for projects not completed within the fiscal year, budgets are not directly comparable with current year actual amounts.

Accounting Process

The City is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Financial Services department and delivered to each business area based on its needs.

Auditing Process

The Municipal Government Act requires a municipal council to appoint an independent auditor. In 2011, a tender for audit services was completed and City Council appointed the chartered accounting firm of Deloitte & Touche LLP as the external auditor, for a five-year term. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council's Standing Committee on Finance with the annual consolidated financial statements. Based on the Committee's recommendation, City Council approved the 2011 Consolidated Financial Statements at its meeting on April 10, 2012.

RISKS AND UNCERTAINTIES

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. Management promotes a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives.

Normal Operational Risk

In the usual course of business, the City is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with each of the City's programs and services, as well as social, legal, regulatory, and economic issues or changes that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

Certain financial information is also prepared using estimates and judgments that have been based on careful assessments through the City's management information systems. The City maintains a system of internal controls to provide reasonable assurance as to the fairness and reliability of that information and data. These control systems are regularly reviewed and enhanced as required to ensure the production of timely, accurate and complete financial information to protect and safeguard City assets.

1976: The RCMP building, designed by Peter Hemingway, opens. In 2011, City Council honoured the architect by officially naming it the Hemingway Centre.

1984: St. Albert Place, designed by internationally renowned architect Douglas J. Cardinal, opens and houses municipal offices, library, theatre, museum and arts and crafts studios.

1977: St. Albert officially receives city status.

1991: Red Willow Park Master Plan is approved. It is to include a trail system from River Lot 56 to Big Lake, a skateboard park, splash park, a botanic park, open spaces, outdoor class room, rugby and soccer facilities and other amenities.

Revenue Volatility

Certain categories of revenue are exposed to economic or other fluctuations. These include revenues related to development permits, gas franchise fees, interest revenue, user fees/charges, government transfers, and so forth.

To address the challenge associated with revenue volatility, the City applies conservative budgeting practices, monthly variance forecasting, a long-term investment strategy, a new methodology for franchise fee calculation based on the stable cost of delivery, and various environmental scanning techniques to identify market changes. The City also continues to advocate (either independently or through its municipal associations) for sufficient and reliable transfers with higher orders of government.

Infrastructure Replacement

Municipal infrastructure is required to support a community's economy and quality of life. To ensure that sufficient local infrastructure is available, the City applies long term construction and maintenance plans or strategies. In many cases, the City's identified infrastructure requirements exceed its funding capacity; therefore City Council engages in prioritization and seeks alternative sources of funding, such as borrowing or government transfers. If not addressed, a municipality's infrastructure deficit could result in lost productivity, damage to property, and decreased quality of life.

Insurance Loss

The City maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program is composed of two components: an insurance program purchased through well capitalized external insurers and a self-funded insurance program for all losses falling below policy deductibles. The City's approach to risk management attempts to achieve a balance between risk and total cost.

A claims reserve was established in 2008 to fund the City's self-insured program. The reserve is funded to a confidence level at the 95th percentile of the City's projected losses, as recommended in the July 2008 loss projection analysis report provided by an external consultant. At December 31, 2011, the City's outstanding and fully reserved insurance claims related liabilities were approximately \$0.3 million, and its claims self insurance fund was approximately another \$0.8 million.

Environmental Risk

The City employs environmental management professionals to assist departments in complying with environmental laws and regulations. The City has also adopted policies and procedures to govern the City's approaches, and the organization follows environmental systems which provide a sound model to effectively deal with environmental impacts associated with municipal activities. In addition, insurance policies are in place to handle potential unexpected environmental exposures.

2008: Planning for St. Albert's 150th anniversary begins. Margaret Plain is named chair of the 150th Anniversary Celebration Committee.

2011: St. Albertans celebrate their history, arts and culture during a year-long 150th Anniversary.

FUTURE OUTLOOK

St. Albert is recognized as a vibrant community enjoying high service levels and an excellent quality of life. To maintain and enhance this quality of life, the City must continue to address challenges related to the community's limited non-residential assessment base, organizational costs which typically outpace the rate of consumer inflation, unpredictable government transfers, and relatively slow development or population growth.

This situation will require a continued focus on fiscal sustainability, which includes efforts to attract non-residential investment, foster innovation throughout the organization, and secure sufficient and reliable government funding to address civic infrastructure and operating requirements. Funding shortfalls have a particularly noticeable impact on the City's 10 Year Capital Plan, which articulates the community's capital maintenance and upgrade requirements.

As global and local economic conditions continue to improve, management expects a corresponding improvement in various City revenues such as licences and permits, sales and user fees, investment income, and government transfers. Management will continue to exercise caution in the City's financial management, and will continue to monitor economic conditions to ensure that prompt recommendations are made to Council in the case that adjustments to business plans and budgets are required. Indeed, the City will continue to develop strategies and seek the necessary funding to undertake projects required to maintain the programs, services, and infrastructure that St. Albertans expect.

The delivery of this report, and St. Albert's continued success in meeting its fiscal challenges, are made possible through the continuing efforts of the City's staff. My appreciation is extended to all departments for their ongoing cooperation and assistance.

Original Signed

Ed Kaemingh, CMA
Acting Chief Financial Officer
April 10, 2012

Canadian Award for Financial Reporting

Presented to

The City of St. Albert
Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2010

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units whose annual financial reports achieve the highest program standards for Canadian Government accounting and financial reporting.



Linda C. Davidson
President
Jeffrey L. Essex
Executive Director

CANADIAN AWARD FOR FINANCIAL REPORTING

For the last 11 years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

In order to qualify, a government must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards beyond the minimum requirements prescribed by Canada's generally accepted accounting principles. Such a report should clearly communicate the municipality's financial condition, enhance an understanding of financial reporting, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. The City of St. Albert believes its current Report continues to conform to the program award requirements and will therefore again forward it to the Government Finance Officers Association for award consideration.



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Management's Report

To the Mayor and members of Council of the City of St. Albert,

The management of the City of St. Albert is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on management's best estimates.

To assist in meeting its responsibility, management maintains accounting, budget and other financial controls. These controls provide reasonable assurance that transactions are appropriately authorized, accurately recorded, and that assets are properly accounted for and safeguarded. This is done in order to maintain the integrity of the financial records.

The consolidated financial statements have been audited by the independent firm of Deloitte & Touche LLP. Their Independent Auditor's Report to City Council, stating management's responsibility for the consolidated financial statements, Auditor's responsibility and opinion on the consolidated financial statements, follows.

Original Signed

Chris Jardine,
Acting City Manager
April 10, 2012

Original Signed

Ed Kaemingh, CMA
Acting Chief Financial Officer

Independent Auditor's Report

To the Mayor and members of Council of the City of St. Albert

We have audited the accompanying consolidated financial statements of the City of St. Albert, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of St. Albert as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

OTHER MATTERS

The consolidated financial statement of financial position as at December 31, 2010 and the consolidated statements of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2011.

Original Signed

Chartered Accountants
April 10, 2012
Edmonton, Canada

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2011 (in thousands of dollars)

	2011	2010
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 35,425	\$ 37,551
Accounts Receivable	8,972	8,573
Taxes Receivable	2,286	2,152
Inventories Held for Resale	25	17
Land Held for Resale	60	60
Investments (Note 3)	43,981	48,040
TOTAL FINANCIAL ASSETS	90,749	96,393
FINANCIAL LIABILITIES		
Accounts Payable and Accrued Liabilities	13,909	17,962
Deferred Revenue - Government Transfers (Note 4)	20,738	18,883
Deferred Revenue - Developer Levies (Note 4)	8,886	6,282
Deferred Revenue - Other (Note 4)	3,744	4,024
Deposit Liabilities	770	861
Long-Term Debt (Note 5)	61,190	66,169
Landfill Liability (Note 6)	4,099	3,855
TOTAL FINANCIAL LIABILITIES	113,336	118,036
NET FINANCIAL DEBT	(22,587)	(21,643)
NON FINANCIAL ASSETS		
Tangible Capital Assets (Note 7)	761,695	727,767
Inventories of Materials and Supplies	994	987
Prepaid Expenses	480	696
TOTAL NON-FINANCIAL ASSETS	763,169	729,450
ACCUMULATED SURPLUS (NOTE 9)	\$ 740,582	\$ 707,807

Commitments and Contingencies (Note 10)

Approved by:



Mayor



Acting City Manager

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended December 31, 2011 (in thousands of dollars)

	2011 BUDGET (unaudited) (Note 15)	2011	2010
REVENUE			
Property Taxes (Note 11)	\$ 73,981	\$ 73,983	\$ 69,801
Sales and User Fees	41,218	42,589	39,911
Government Transfers (Note 12)	12,604	22,763	41,446
Other Revenue	1,307	3,954	1,722
Fines and Penalties	4,389	3,610	4,243
Contracted Services Revenue	2,347	2,378	2,375
Licenses and Permits	2,019	1,782	1,705
Franchise Fees	1,562	1,400	1,031
Investment Income	1,270	1,126	773
Developer Contributions and Levies	-	811	693
TOTAL REVENUE	140,697	154,396	163,700
EXPENSES			
Utility Services	21,480	26,055	25,416
Protective Services	24,735	24,720	23,859
Transportation and Roadway Services	10,797	21,118	18,959
Recreation and Parks	17,761	23,039	22,950
Cultural Services	10,146	12,499	11,589
General Government Services	15,624	11,121	12,087
Transit Services	9,511	11,002	10,297
Planning and Development Services	3,493	3,484	4,593
Family and Social Services	2,730	2,610	2,677
TOTAL EXPENSES	116,277	135,648	132,427
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER	24,420	18,748	31,273
OTHER			
Contributed Assets	-	15,050	4,536
Loss on Disposal of Tangible Capital Assets	-	(1,023)	(427)
EXCESS OF REVENUE OVER EXPENSES	24,420	32,775	35,382
ACCUMULATED SURPLUS BEGINNING OF YEAR	707,807	707,807	672,425
ACCUMULATED SURPLUS END OF YEAR	\$ 732,227	\$ 740,582	\$ 707,807

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

Year Ended December 31, 2011 (in thousands of dollars)

	2011 BUDGET (unaudited) (Note 15)	2011	2010
EXCESS OF REVENUE OVER EXPENSES	\$ 24,420	\$ 32,775	\$ 35,382
Acquisition of Tangible Capital Assets	(52,349)	(54,200)	(33,800)
Proceeds on Disposal of Tangible Capital Assets	-	85	247
Amortization of Tangible Capital Assets	-	19,164	18,116
Loss on Disposal of Tangible Capital Assets	-	1,023	427
	(27,929)	(1,153)	20,372
Acquisition of Inventories of Materials and Supplies	-	(994)	987
Acquisition of Prepaid Expenses	-	(480)	(696)
Consumption of Inventories of Materials and Supplies	-	987	1,052
Use of Prepaid Expenses	-	696	221
	-	209	(410)
INCREASE IN NET DEBT	(27,929)	(944)	19,962
NET DEBT AT BEGINNING OF YEAR	(21,643)	(21,643)	(41,605)
NET DEBT AT END OF YEAR	\$ (49,572)	\$ (22,587)	\$ (21,643)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of Revenue over Expenses	\$ 32,775	\$ 35,382
ITEMS NOT INVOLVING CASH:		
Amortization	19,164	18,116
Tangible Capital Assets Received as Contributions	(15,050)	(4,536)
Loss on Disposal of Tangible Capital Assets	1,023	427
	37,912	49,389
CHANGE IN NON CASH ASSETS AND LIABILITIES:		
Accounts Receivable	(399)	1,478
Taxes Receivable	(134)	(317)
Inventories Held for Resale	(8)	1
Accounts Payable and Accrued Liabilities	(4,053)	2,827
Deferred Revenue – Government Transfers	1,855	(7,844)
Deferred Revenue – Developer Levies	2,604	6,282
Deferred Revenue – Other	(280)	415
Deposit Liabilities	(91)	(450)
Landfill Liability	244	(1,303)
Inventories of Materials and Supplies	(7)	65
Prepaid Expenses	216	(475)
NET CASH FROM OPERATING ACTIVITIES	37,859	50,068
CAPITAL ACTIVITIES		
Acquisition of Tangible Capital Assets	(39,150)	(29,264)
Proceeds on Disposal of Tangible Capital Assets	85	247
NET CASH USED BY CAPITAL ACTIVITIES	(39,065)	(29,017)
INVESTING ACTIVITIES		
Purchase of Investments	(49,151)	(47,865)
Maturity of Investments	53,210	18,888
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	4,059	(28,977)
FINANCING ACTIVITIES		
Issue of Long Term Debt	-	-
Repayment of Long Term Debt	(4,979)	(4,795)
NET CASH USED BY FINANCING ACTIVITIES	(4,979)	(4,795)
DECREASE IN CASH AND CASH EQUIVALENTS DURING YEAR	(2,126)	(12,721)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37,551	50,272
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 35,425	\$ 37,551
CASH PAID FOR INTEREST	\$ 3,084	\$ 3,331

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of St. Albert (the "City") are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

A. BASIS OF CONSOLIDATION

i. Consolidating Entities:

The consolidated financial statements (the "financial statements") reflect the assets, liabilities, revenues and expenses of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are therefore accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the City of St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter departmental and inter organizational transactions and balances between these organizations have been eliminated.

B. USE OF ESTIMATES

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill liability and in performing actuarial valuations of employee future benefits.

In addition, the City's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from those estimates.

C. BASIS OF ACCOUNTING

The City follows the accrual basis of accounting. The City organizes and operates its accounting system to segregate programs which reflect the net costs of carrying on a specific activity. These programs are organized and operate as separate accountable entities of the City. Revenue, which is not directly related to any specific program, is reflected in General Municipal Revenue.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

ii. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

D. LAND HELD FOR RESALE

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

E. INVESTMENTS

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

F. INVENTORIES HELD FOR RESALE

Inventories held for resale consist mainly of concession inventory and are valued at lower of cost and net realizable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

G. NON FINANCIAL ASSETS

Non financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital asset, excluding land, is amortized on a straight line basis over the estimated useful life as follows:

Buildings and Building Improvements	5 to 50 years
Land Improvements	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	10 to 25 years
Vehicles	10 to 25 years

One half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are recorded as revenue.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these financial statements.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

ii. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.

H. GOVERNMENT TRANSFERS

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, and that are not the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

I. PENSION EXPENSES

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

J. LANDFILL LIABILITY

Pursuant to the Alberta Environmental Protection and Enhancement Act, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The liability for closure and post-closure care has been recognized based on an estimate of future expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

2. CASH AND CASH EQUIVALENTS

	2011	2010
Cash	\$ 25,333	\$ 27,524
Cash Equivalents	10,092	10,027
	\$ 35,425	\$ 37,551

Cash includes cash on hand and balances with banks, net of bank overdrafts.

Cash equivalents are comprised of Short Term Deposits, Bankers Acceptances, Commercial Papers and guaranteed notes having yields ranging from 1.20% to 1.35% (2010 1.2% to 1.4%) with an original maturity within 3 months.

3. INVESTMENTS

	2011		2010	
	Carrying Value	Market Value	Carrying Value	Market Value
Short Term Notes and Deposits	\$ 25,050	\$ 25,050	\$ 29,092	\$ 29,092
Corporate Bonds	17,064	17,273	17,130	16,738
Government Bonds	1,677	1,718	1,636	1,612
Credit Union Shares	190	190	182	182
	\$ 43,981	\$ 44,231	\$ 48,040	\$ 47,624

Short term notes and deposits have effective rates of 1.63% to 2.10% (2010 1.35% to 2.25%), are for fixed terms, and have maturity dates ranging between 3 months and one year.

The City's bond portfolio has effective rates of 2.43% to 3.76%, with maturity dates ranging between 2013 and 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

4. DEFERRED REVENUE

Pursuant to funding agreements with the Provincial and/or Federal Government, the use of these funds together with any earnings thereon is restricted to eligible expenditures on operating or capital projects as approved by the governments. These funds are recognized as revenue in the period they are used for the purpose specified.

	2010	CONTRIBUTIONS	INTEREST	APPLIED	2011
			EARNED		
DEFERRED REVENUE – GOVERNMENT TRANSFERS					
Municipal Sustainability Initiative	\$ 6,873	\$ 5,662	\$ 192	\$ (3,492)	\$ 9,235
Alberta Municipal Infrastructure Program	5,886	-	124	(2,146)	3,864
New Deal for Cities & Communities	271	3,260	55	(483)	3,103
Basic Capital Grant	4,286	3,608	119	(5,533)	2,480
New Deal for Cities & Communities – Public Transit	373	660	23	-	1,056
MSI – Affordable Housing	1,194	-	26	(220)	1,000
TOTAL DEFERRED REVENUE – GOVERNMENT TRANSFERS	18,883	13,190	539	(11,874)	20,738
DEVELOPER LEVIES					
Transportation Offsite Levy	3,812	1,491	108	-	5,411
Water Offsite Levy	1,710	553	47	-	2,310
Sanitary Sewer Levy	760	383	22	-	1,165
TOTAL DEVELOPER LEVIES	6,282	2,427	177	-	8,886
OTHER DEFERRED REVENUE					
Developer Contributions	1,309	-	31	(17)	1,323
Servus Place	873	2,508	-	(2,400)	981
Other Miscellaneous - Operating	339	354	-	(348)	345
Arts & Heritage Foundation	435	-	-	(189)	246
Licensing	179	227	-	(179)	227
Community	129	154	-	(122)	161
Other Miscellaneous - Capital	418	-	8	(279)	147
Utilities	131	-	-	(5)	126
Performing Arts	92	104	-	(92)	104
Library	119	84	-	(119)	84
TOTAL OTHER DEFERRED REVENUE	4,024	3,431	39	(3,750)	3,744
TOTAL DEFERRED REVENUE	\$ 29,189	\$ 19,048	\$ 755	\$ (15,624)	\$ 33,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

5. LONG TERM DEBT

A. LONG TERM DEBT CONSISTS OF:

	2011	2010
Municipal Tax Supported Debentures	\$ 61,190	\$ 66,152
Capital Lease	-	17
	\$ 61,190	\$ 66,169

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable, before Provincial subsidy, at rates ranging from 3.344% to 9.75% per annum. The debentures are payable in annual or semi-annual amounts and mature in periods ranging from 2012 to 2028.

The City has an operating line of credit with its bank of \$5,000 (2010 - \$5,000). This credit facility bears interest at prime minus 0.25% and was not drawn on at December 31, 2011.

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on eligible debenture issues. Subsidies are expected to continue for the full duration of all debt issued prior to March 31, 1982, as follows:

Maximum Interest Rate Payable Period of Debenture Issue	After Provincial Subsidy
January 1, 1974 - March 31, 1980	9.6%
April 1, 1980 - March 26, 1981	10.4%
March 27, 1981 - March 31, 1982	11.6%

Interest on long term debt of \$2,989 (2010 - \$3,241) is recorded in the Statement of Operations and Accumulated Surplus. The City's total cash payments for interest in 2011 were \$3,084 (2010 - \$3,331).

B. LONG TERM DEBT PRINCIPAL AND INTEREST AMOUNTS DUE IN EACH OF THE NEXT FIVE YEARS AND THEREAFTER ARE AS FOLLOWS:

	Principal	Interest	Total
2012	\$ 4,368	\$ 2,830	\$ 7,198
2013	3,963	2,601	6,564
2014	3,588	2,412	6,000
2015	3,755	2,246	6,001
2016	3,929	2,072	6,001
Thereafter	41,587	9,943	51,530
	\$ 61,190	\$ 22,104	\$ 83,294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

NOTE 5. LONG TERM DEBT (CONT.)

C. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by *Alberta Regulation 255/2000* for the City of St. Albert be disclosed as follows

	2011	2010
Total Debt Limit	\$ 203,244	\$ 196,512
Total Debt	61,190	66,169
Amount of Debt Limit Unused	\$ 142,054	\$ 130,343
Maximum Allowable Debt Service	\$ 33,874	\$ 32,752
Annual Payments on Existing Debt	7,199	8,063
Amount of debt servicing limit unused	\$ 26,675	\$ 24,869

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in *Alberta Regulation 255/2000*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City; rather, the financial statements and other factors must be considered.

6. LANDFILL LIABILITY

Alberta environmental law requires closure and post closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The City received an Environment Canada order to undertake additional capping and grading measures in 2005 to prevent leaching into the Sturgeon River from its landfill. The City is continuing with its ongoing monitoring program of the former landfill and sewage lagoons in Riel Park including the submission of reports to Environment Canada. The groundwater monitoring of the site has been ongoing since 1999 and the program was expanded in June 2004 in consultation with the regulators. A Site Management Alternative report was completed in December 2005 and the City met with the regulators to discuss the alternatives and the recommended action plan. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater.

The landfill was permanently closed in 1986.

The City's estimated total liability is based on the sum of discounted future cash flows for post closure activities from 2009 to 2013 using a discount rate of 2.303% (2010 - 3.213%) based on the Alberta Finance Authority 10 year rate stated at January 1, 2012.

	2011	2010
Estimated Closure Costs	\$ 3,944	\$ 3,630
Estimated Post Closure Costs	155	225
	\$ 4,099	\$ 3,855

During the year, the City incurred no costs (2010 - \$2,973) related to the landfill closure and post closure liability. Accretion expense recorded in 2011 was \$244 (2010 - \$144). During 2010 stage 2 of the landfill remediation was completed. In December 2010 the City obtained a revised cost estimate to complete phases 3 and 4 of the remediation. The landfill liability has been revised to reflect the new estimate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS

2011										
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
COST										
Balance Beginning of Year	\$ 1,687	\$ 1,910	\$ 41,952	\$ 457,976	\$ 127,208	\$ 22,483	\$ 324,088	\$ 34,685	\$ 4,687	\$ 1,016,676
Acquisitions/Transfers	2,053	425	2,688	27,682	762	3,372	16,484	1,556	(822)	54,200
Disposals	-	(321)	-	(531)	-	(627)	-	(91)	(443)	(2,013)
BALANCE END OF YEAR	3,740	2,014	44,640	485,127	127,970	25,228	340,572	36,150	3,422	1,068,863
ACCUMULATED AMORTIZATION										
Balance Beginning of Year	(280)	(911)	(15,181)	(202,293)	(46,752)	(14,142)	-	(9,350)	-	(288,909)
Amortization Expense	(96)	(392)	(1,925)	(10,580)	(2,620)	(1,588)	-	(1,963)	-	(19,164)
Disposals	-	321	-	51	-	445	-	88	-	905
BALANCE END OF YEAR	(376)	(982)	(17,106)	(212,822)	(49,372)	(15,285)	-	(11,225)	-	(307,168)
NET BOOK VALUE END OF YEAR	\$ 3,364	\$ 1,032	\$ 27,534	\$ 272,305	\$ 78,598	\$ 9,943	\$ 340,572	\$ 24,925	\$ 3,422	\$ 761,695

2010										
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
COST										
Balance Beginning of Year	\$ 726	\$ 1,821	\$ 36,286	\$ 443,063	\$ 123,463	\$ 20,539	\$ 319,578	\$ 35,947	\$ 4,993	\$ 986,416
Acquisitions/Transfers	961	403	5,666	14,913	3,745	2,057	4,590	1,771	(306)	33,800
Disposals	-	(314)	-	-	-	(113)	(80)	(3,033)	-	(3,540)
BALANCE END OF YEAR	1,687	1,910	41,952	457,976	127,208	22,483	324,088	34,685	4,687	1,016,676
ACCUMULATED AMORTIZATION										
Balance Beginning of Year	(216)	(852)	(13,449)	(192,371)	(44,175)	(12,721)	-	(9,875)	-	(273,659)
Amortization Expense	(64)	(373)	(1,732)	(9,922)	(2,577)	(1,512)	-	(1,936)	-	(18,116)
Disposals	-	314	-	-	-	91	-	2,461	-	2,866
BALANCE END OF YEAR	(280)	(911)	(15,181)	(202,293)	(46,752)	(14,142)	-	(9,350)	-	(288,909)
NET BOOK VALUE END OF YEAR	\$ 1,407	\$ 999	\$ 26,771	\$ 255,683	\$ 80,456	\$ 8,341	\$ 324,088	\$ 25,335	\$ 4,687	\$ 727,767

A. ASSETS UNDER CONSTRUCTION

Assets under construction having a value of \$3,422 (2010 - \$4,687) have not been amortized. Amortization of these assets will commence when the assets are put into service.

B. CONTRIBUTED TANGIBLE CAPITAL ASSETS

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$15,050 (2010 - \$4,536). This amount is comprised of roads infrastructure in the amount of \$12,175 (2010 - \$127), water, storm and wastewater infrastructure in the amount of \$2,775 (2010 - \$4,409), and land improvement in the amount of \$100 (2010 - \$0).

C. WORKS OF ART AND HISTORICAL TREASURES

The City manages and controls various works of art and non operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

D. WRITE DOWN OF TANGIBLE CAPITAL ASSETS

The write down of tangible capital assets during the year was \$443 (2010 - \$0).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2011	2010
Tangible Capital Assets (Note 7)	\$ 1,068,863	\$ 1,016,676
Accumulated Amortization (Note 7)	(307,168)	(288,909)
Long-term Debt (Note 5)	(61,190)	(66,169)
	\$ 700,505	\$ 661,598

9. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted and restricted amounts and invested in tangible capital assets as follows

	2011	2010
GENERAL SURPLUS (DEFICIT)		
General Operating Surplus	\$ 227	\$ 165
Capital Funding Timing on Projects	(352)	(1,642)
Utility Accumulated Deficit - Landfill	(4,048)	(3,803)
TOTAL GENERAL SURPLUS (DEFICIT)	(4,173)	(5,280)
Restricted Surplus - Reserves (Schedule 1)	44,250	51,489
Invested in Tangible Capital Assets	700,505	661,598
TOTAL ACCUMULATED SURPLUS	\$ 740,582	\$ 707,807

10. COMMITMENTS AND CONTINGENCIES

A. ANNEXATION

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County (County). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County \$800 at a rate of \$80 per year starting in 2009 and ending 2018. In addition, the City will pay tax sharing amounts to the County until 2011. The City paid \$136 in 2011 (\$117 in 2010) to Sturgeon County under this tax sharing agreement.

As of April 1, 2007 the City is responsible for the roadway maintenance and municipal services within the annexed area. The annexation brings within the boundaries of St. Albert the proposed alignment of the Ray Gibbon Drive.

B. LEGAL CLAIMS

As at December 31, 2010, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, it is believed that there will be no adverse effect on the City's financial position.

C. LEASE COMMITMENTS

The City has entered into several operating lease agreements for space rental. Lease commitments over the next five years and thereafter are as follows:

2012	\$ 252
2013	65
2014	33
2015	33
2016	33
Thereafter	162
	\$ 578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

11. PROPERTY TAXES

Taxation revenue, reported on the Consolidated Statement of Operations and Accumulated Surplus, is comprised of the following:

	2011 Budget (unaudited) (Note 15)	2011	2010
TAXATION			
Real Property Taxes	\$ 99,249	\$ 98,261	\$ 93,075
Linear Property Taxes	1,115	1,132	1,115
Government Grants in Place of Property Taxes	-	1,007	873
TOTAL TAXATION	100,364	100,400	95,063
REQUISITIONS			
Alberta School Foundation Fund	17,461	17,462	16,813
St. Albert Protestant School District #6	7,632	7,632	7,477
Sturgeon Foundation Requisition	836	836	526
Other	454	487	446
TOTAL REQUISITIONS	26,383	26,417	25,262
TAXES AVAILABLE FOR MUNICIPAL PURPOSES	\$ 73,981	\$ 73,983	\$ 69,801

12. GOVERNMENT TRANSFERS

The City recognizes the transfer of government funding after the transfer has been authorized, and the expenses or revenues in the period that the events giving rise to the transfer occurred. The Government Transfers reported on the Consolidated Statement of Operations and Accumulated Surplus are:

	2011 Budget (unaudited) (Note 15)	2011	2010
GOVERNMENT TRANSFERS FOR OPERATIONS			
Provincial Transfers	\$ 4,200	\$ 4,612	\$ 9,126
Federal Transfers	-	274	56
TOTAL OPERATING TRANSFERS	4,200	4,886	9,182
GOVERNMENT TRANSFERS FOR CAPITAL			
Provincial Transfers	8,404	16,508	31,728
Federal Transfers	-	1,369	536
TOTAL CAPITAL TRANSFERS	8,404	17,877	32,264
TOTAL GOVERNMENT TRANSFERS	\$ 12,604	\$ 22,763	\$ 41,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

13. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and the designated officer is required by *Alberta Regulation 313/2000*. This information is not presented in thousands of dollars.

	Salaries	Benefits & Allowances	2011	2010
Mayor N. Crouse	\$ 88,342	\$ 7,951	\$ 96,293	\$ 96,143
Councillor L. Bracko	31,460	1,165	32,625	32,507
Councillor J. Burrows	-	-	-	29,900
Councillor L. Garrity	-	-	-	26,765
Councillor G. Jones	-	-	-	27,484
Councillor R. Lemieux	30,760	1,754	32,514	31,288
Councillor C. Watamaniuk	-	-	-	27,393
Councillor W. Brodhead	29,560	1,015	30,575	5,097
Councillor C. Heron	30,560	1,306	31,866	5,061
Councillor C. MacKay	30,860	2,898	33,758	5,410
Councillor M. Parker	29,560	3,433	32,993	5,516
Chief Administrative Officer	248,784	402,263	651,047	238,067
Designated Officer	127,021	31,365	158,386	153,130

A. SALARIES

Salaries include regular base pay and per diems.

B. BENEFITS AND ALLOWANCES

Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships, car allowances and end of service benefits for the Chief Administrative Officer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

14. PENSION PLANS

A. LOCAL AUTHORITIES PENSION PLAN

Approximately 577(2010 – 564) employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The City is required to make current service contributions to the Plan of 9.49% (2010 – 9.06%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.13% (2010 – 12.53%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 8.49% (2010 – 8.06%) of pensionable salary up to the year's maximum pensionable salary and 12.13% (2010 – 11.53%) on pensionable salary above this amount.

Total contributions by the City to the Local Authorities Pension Plan in 2011 were \$4,081 (2010 – \$3,843). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2011 were \$3,697 (2010 – \$3,466). At December 31, 2010, the plan reported the value of its assets at \$17.7 billion (2009 – \$15.4 billion) and disclosed an actuarial deficiency of \$4.8 billion (2009 – \$4.0 billion). Plan asset and actuarial deficiency data as at December 31, 2011 were not yet available.

B. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the "Alberta Employment Pension Plans Act", commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees (14 (2010 – 19) beneficiaries). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.5% and 3.0%, respectively, of pensionable earnings up to \$128 (2010 – \$125).

Total current service contributions by the City to APEX in 2011 were \$74 (2010 – \$81). Total current service contributions by the employees of the City were \$61 (2010 – \$68).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post retirement benefits are fully funded.

As at December 31, 2011 the APEX supplementary pension plan has vested with approximately two thirds of eligible employees. The City has disclosed contributions to the APEX plan.

C. MUNISERP

The MuniSERP supplementary overcap retirement plan extends LAPP, and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees (14 (2010 – 19) beneficiaries). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan.

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. At January 1, 2012, an actuarial valuation has been completed along with corresponding disclosure of designated assets.

The following presents the MuniSERP obligation as at December 31, 2011:

	2011	2010
ACCRUED BENEFIT OBLIGATION		
Balance, Beginning of Year	\$ 318	\$ 216
Current Service Cost and Interest Cost	(235)	102
BALANCE, END OF YEAR	\$ 83	\$ 318

There are no defined benefit plan assets.

The significant actuarial assumptions in measuring the City's accrued benefit obligation are as follows:

	2011	2010
Discount Rate	5.25%	6.5%
Rate of Compensation Increase	4.00%	4.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

15. BUDGET FIGURES

The 2011 budget figures which appear in these financial statements have not been audited. Budgets established for capital acquisitions and related financing are calculated on a project-oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

The table below reconciles the consolidated annual surplus to the City's operating surplus based on the methods used in preparing its fiscal plan.

	2011 Budget (unaudited)	2011	2010
CONSOLIDATED ANNUAL SURPLUS	\$ 24,420	\$ 32,775	\$ 35,382
Government Transfers for Capital	(8,404)	(17,877)	(32,264)
Reserve Transfers	4,854	(14,985)	(12,230)
Contributed Assets	-	(15,050)	(4,536)
Repayment of Long Term Debt	(4,980)	(4,979)	(4,795)
Loss (Gain) on Sale of Tangible Capital Assets	-	1,023	427
Amortization	-	19,164	18,116
Sale of Debentures	(15,890)	-	-
OPERATING SURPLUS	\$ -	\$ 71	\$ 100

The unaudited budget data presented in these consolidated financial statements is based upon the 2011 operating and capital budgets approved by Council. Amortization, contributed assets and gain/loss of tangible capital assets were not contemplated in development of the budget and, as such, has not been included.

16. COMPARATIVE FIGURES

Certain elements of the 2010 Financial Statements have been reclassified to reflect the changes in presentation for 2011. On the statement of operations, deferred revenue was disclosed separately by component and deposit liabilities. On the statement of operations, contributed assets and loss on disposal of tangible capital assets are disclosed as other items.

17. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

A. GENERAL SERVICES

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

B. PROTECTIVE SERVICES

The City contracts with the Royal Canadian Mounted Police (RCMP) for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

C. RECREATION AND PARKS

The City owns and operates over 400 hectares of parkland within the municipal boundary, including large park systems such as the Red Willow Park and numerous community and neighbourhood parks or playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

D. UTILITY OPERATIONS (SCHEDULE 2)

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's 100 Year Utility Rate Model, financial results are included with the City.

E. ROADWAY SERVICES

The City provides a number of maintenance and related services for the community's streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here. Roadway services provides service to other segments of the organization on a cost recovery basis, this is reflected in other expense recoveries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

NOTE 17. SEGMENTED INFORMATION (CONT.)

F. TRANSIT SERVICES

St. Albert Transit is a municipally owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

G. CULTURAL SERVICES

St. Albert is renowned for its first class cultural programs, services, and events. International festivals such as the St. Albert Children's Festival highlight this area. On the statement of operations, Cultural Services also includes the St. Albert Library and Arts & Heritage Foundation.

H. PLANNING SERVICES

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

I. SOCIAL SERVICES

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.

J. ST. ALBERT PUBLIC LIBRARY

The St. Albert Public Library was established in 1961 by St. Albert's Town Council under the provisions of the Provincial Libraries Act. The Library is governed by a separate Board, and provides programs and service to the residents of St. Albert and surrounding areas.

K. ARTS & HERITAGE FOUNDATION

St. Albert's Arts and Heritage Foundation (AHF) manages the Profiles Public Art Gallery, the Musée Héritage Museum, and various other local heritage sites. The AHF also offers programs and exhibitions and ensures that historic buildings and significant artifacts are preserved.

The following tables report the financial operations for each of the previous mentioned segments.

	2011											
	General Services	Protective Services	Recreation & Parks	Utility Operations	Roadway Services	Transit Services	Cultural Services	Planning Services	Social Services	St. Albert Public Library	Arts & Heritage Foundation	Total
REVENUE												
Property Taxes	\$ 73,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,983
Government Transfers	585	1,161	1,621	2,865	12,755	-	1,168	221	1,328	360	309	22,763
Sales and User Fees	274	1,344	8,794	25,372	404	3,513	1,452	639	192	314	291	42,589
Fines and Penalties	759	2,745	-	103	-	-	-	-	-	-	-	3,610
Contracted Services Revenue	-	2,378	-	-	-	-	-	-	-	-	-	2,378
Other Revenue	2,439	4	444	-	8	-	891	-	7	49	112	3,954
Licenses and Permits	558	321	-	-	13	-	-	860	-	-	-	1,752
Franchise Fees	1,400	-	-	-	-	-	-	-	-	-	-	1,400
Investment Income	478	5	98	255	239	29	16	2	-	1	-	1,126
Developer Contributions and	-	-	534	260	17	-	-	-	-	-	-	811
Leases	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	80,806	7,964	11,491	28,855	13,436	3,542	3,527	1,722	1,527	724	802	154,396
EXPENSES												
Salaries, Wages and Benefits	9,510	14,645	11,323	3,891	7,088	1,768	2,758	2,562	1,091	2,644	1,260	58,540
Contracted and General Services	140	1,541	2,079	8,337	3,145	5,805	2,443	519	101	151	187	24,448
Amortization	1,013	764	3,356	3,752	8,265	1,481	33	7	2	466	25	19,164
Purchases from Other Governments	-	6,201	-	8,214	-	-	-	-	-	-	-	14,415
Materials, Goods and Utilities	315	522	3,176	952	3,955	1,920	947	50	36	349	285	12,810
Transfers to Individuals and Organizations	58	-	100	-	27	-	421	283	1,369	-	-	2,258
Interest on Long Term Debt	-	37	1,763	-	1,189	-	-	-	-	-	-	2,989
Other Expenses (Recovery)	55	710	1,242	909	(2,551)	28	33	63	11	-	494	1,024
TOTAL EXPENSES	11,121	24,720	23,039	26,055	21,118	11,002	6,635	3,484	2,610	3,610	2,254	135,648
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	\$ 69,685	\$ (16,756)	\$ (11,548)	\$ 2,800	\$ (7,682)	\$ (7,460)	\$ (3,108)	\$ (1,762)	\$ (1,083)	\$ (2,886)	\$ (1,452)	\$ 18,748
OTHER												
Contributed Assets	-	-	100	2,775	12,175	-	-	-	-	-	-	15,050
Loss on Disposal of Tangible Capital Assets	-	-	(89)	(223)	(711)	-	-	-	-	-	-	(1,023)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 69,685	\$ (16,756)	\$ (11,537)	\$ 5,352	\$ 1,132	\$ (7,460)	\$ (3,108)	\$ (1,762)	\$ (1,083)	\$ (2,886)	\$ (1,462)	\$ 32,775

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011 (in thousands of dollars)

NOTE 17. SEGMENTED INFORMATION (CONT.)

	2010											
	General Services	Protective Services	Recreation & Parks	Utility Operations	Roadway Services	Transit Services	Cultural Services	Planning Services	Social Services	St. Albert Public Library	Arts & Heritage Foundation	Total
REVENUE												
Property Taxes	\$ 69,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,801
Government Transfers	859	739	3,719	5,287	21,459	3,191	1,380	2,824	1,298	490	200	41,446
Sales and User Fees	317	1,164	8,442	23,704	342	3,375	990	708	291	314	274	39,911
Fines and Penalties	671	3,488	-	84	-	-	-	-	-	-	-	4,243
Other Revenue	253	2,383	528	-	14	-	729	6	-	55	129	4,097
Licenses and Permits	501	321	-	-	12	-	-	871	-	-	-	1,705
Franchise Fees	1,031	-	-	-	-	-	-	-	-	-	-	1,031
Investment Income	432	2	50	139	86	52	5	1	-	6	-	773
Developer Contributions and Levies	-	-	469	450	(226)	-	-	-	-	-	-	693
TOTAL REVENUE	73,865	8,097	13,208	29,664	21,687	6,618	3,094	4,410	1,589	865	603	163,700
EXPENSES												
Salaries, Wages and Benefits	9,374	14,394	11,123	3,711	6,653	1,705	2,591	2,245	1,036	2,518	1,177	56,537
Contracted and General Services	1,061	1,719	1,910	8,006	2,410	5,358	2,393	671	178	196	193	24,095
Amortization	1,085	798	3,149	3,460	7,611	1,496	26	5	2	452	30	18,116
Purchases from Other Governments	-	6,384	-	8,479	-	-	-	-	-	-	-	13,863
Materials, Goods and Utilities	334	831	3,068	867	3,386	1,695	704	43	47	385	279	11,639
Transfers to Individuals and Organizations	57	-	735	-	25	-	438	1,546	1,402	-	-	4,203
Interest on Long Term Debt	7	72	1,725	-	1,437	-	-	-	-	-	-	3,241
Other Expenses (Recovery)	169	661	1,240	893	(2,573)	43	29	83	12	2	174	733
TOTAL EXPENSES	12,087	23,859	22,950	25,416	18,959	10,297	6,183	4,593	2,677	3,553	1,853	132,427
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	61,778	(15,762)	(9,742)	4,248	2,728	(3,679)	(3,089)	(183)	(1,088)	(2,688)	(1,250)	31,273
OTHER												
Contributed Assets	-	-	-	4,409	127	-	-	-	-	-	-	4,536
Gain (Loss) on Sale of Tangible Capital Assets	-	(62)	3	-	19	(401)	-	14	-	-	-	(427)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 61,778	\$ (15,824)	\$ (9,739)	\$ 8,657	\$ 2,847	\$ (4,080)	\$ (3,089)	(169)	(1,088)	(2,688)	(1,250)	35,382

18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements

SCHEDULE 1 – SCHEDULE OF RESTRICTED SURPLUS RESERVES

For the Year Ended December 31, 2011 (in thousands of dollars)

	2010	Contributions	Reductions	2011
OPERATING RESERVES				
General Government	\$ 5,725	\$ 2,239	\$ (1,868)	\$ 6,096
Arts & Heritage Foundation	216	-	(195)	21
Children's Festival	229	7	-	236
Museum	86	9	(51)	44
Library	67	-	-	67
TOTAL OPERATING RESERVES	6,323	2,255	(2,114)	6,464
CAPITAL RESERVES				
General Government	34,423	15,886	(25,746)	24,563
Utilities	10,474	4,996	(2,568)	12,902
Library	269	52	-	321
TOTAL CAPITAL RESERVES	45,166	20,934	(28,314)	37,786
TOTAL RESTRICTED SURPLUS RESERVES	\$ 51,489	\$ 23,189	\$ (30,428)	\$ 44,250

SCHEDULE 2 – UTILITY OPERATIONS

For the Year Ended December 31, 2011 (in thousands of dollars)

	Water	Wastewater	Storm	Waste	2011	2010
REVENUE						
Sales and User Fees	\$ 8,963	\$ 8,845	\$ 2,789	\$ 4,775	\$ 25,372	\$ 23,704
Government Transfers	741	1,549	575	-	2,865	5,287
Developer Agreements and Levies	82	178	-	-	260	450
Investment Income (Loss)	33	144	168	(90)	255	139
Fines and Penalties	39	39	12	13	103	84
TOTAL REVENUE	9,858	10,755	3,544	4,698	28,855	29,664
EXPENSES						
Purchases from Other Governments	3,902	4,312	-	-	8,214	8,479
Contracted and General Services	1,361	1,785	493	4,698	8,337	8,006
Salaries, Wages, and Benefits	1,395	1,287	308	901	3,891	3,711
Amortization	1,621	909	1,060	162	3,752	3,460
Other Expenses	144	158	35	572	909	893
Materials, Goods, and Utilities	652	184	61	55	952	867
Interest on Long Term Debt	-	-	-	-	-	-
TOTAL EXPENSES	9,075	8,635	1,957	6,388	26,055	25,416
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	783	2,120	1,587	(1,690)	2,800	4,248
OTHER						
Contributed Assets	840	531	1,404	-	2,775	4,409
Loss on Disposal of Tangible Capital Assets	(15)	(2)	(206)	-	(223)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,608	\$ 2,649	\$ 2,785	\$ (1,690)	\$ 5,352	\$ 8,657



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GENERAL STATISTICAL INFORMATION

(unaudited)

	2011 ⁵	2010 ³	2009 ⁴	2008 ³	2007 ⁴
POPULATION	61,466	60,138	58,940	58,501	58,296
NUMBER OF DWELLING UNITS	23,569	23,306	22,843	22,629	22,475
MUNICIPAL AREA (IN HECTARES)	4,966	4,966	4,966	4,966	4,966
BUILDING PERMITS VALUE (IN THOUSANDS)					
Residential	\$ 95,214	82,342	80,763	52,272	\$ 125,260
Commercial	4,573	9,741	10,173	24,732	32,672
Industrial	14,420	21,975	41,548	8,869	7,904
Institutional	996	2,650	12,605	18,270	29,825
	\$ 115,203	\$ 116,708	\$ 145,089	\$ 104,143	\$ 195,661
BUILDING PERMITS ISSUED					
Residential	614	609	625	536	811
Commercial	57	60	54	66	71
Industrial	50	37	33	40	44
Institutional	18	16	19	24	11
	739	722	731	666	937
PARK AREA² (IN HECTARES)	511	414	409	399	399
TAX COLLECTION RATE (PERCENTAGE)	97.45	97.28	97.89	98.19	98.12
LONG TERM DEBT					
Total Long Term Debt (IN THOUSANDS)	\$ 61,190	\$ 66,169	\$ 70,964	\$ 71,809	\$ 68,299
Debt Per Capita	\$ 996	\$ 1,100	\$ 1,204	\$ 1,227	\$ 1,172
Retired Within 5 Years (PERCENTAGE)	32.0	31.0	31.0	30.0	31.0
Retired Thereafter (PERCENTAGE)	68.0	69.0	69.0	70.0	54.1
RESIDENTIAL TAX INCREASE (PERCENTAGE)	3.24	2.79	4.55	5.90	6.40
QUALITY OF LIFE SATISFACTION (PERCENTAGE)	-	98	97	91	96
CONSUMER PRICE INDEX CHANGE¹					
Alberta	2.4%	1.0%	(0.1)%	1.2%	5.0%
Canada	2.9%	1.8%	0.3%	2.3%	2.2%
UNEMPLOYMENT RATE¹					
Alberta	4.9%	5.6%	6.6%	4.4%	3.2%
Canada	7.5%	7.8%	8.3%	6.1%	6.0%

Notes

1. Consumer Price Index and Unemployment Rate data obtained from Statistics Canada, based on December reporting
2. Provincial parks or urban reserves not included within Park Area calculation
3. 2008 and 2010 populations based on municipal census results
4. 2007 and 2009 populations based on corporate assumptions
5. 2011 population based on a federal census result: Quality of Life Satisfaction was not measured

GENERAL FINANCIAL INFORMATION

(unaudited)

TAXATION AND ASSESSMENT

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2011

	2011	2010	2009	2008	2007
TAXATION (IN MILLS)					
Municipal - Residential	7.316	7.504	6.788	5.840	8.592
Municipal - Non-Residential	12.296	12.155	10.960	10.740	13.405
Public School (CATHOLIC)					
Residential	2.552	2.657	2.443	2.017	3.242
Non-Residential	3.482	3.560	3.210	3.645	4.894
Separate School (PROTESTANT)					
Residential	2.552	2.657	2.443	2.017	3.242
Non-Residential	3.482	3.560	3.210	3.645	4.894
ASSESSMENT (PERCENTAGE CHANGE)					
Residential - Market Value	5.10	-6.64	-10.47	58.74	19.82
Residential - Growth	2.15	1.18	1.13	3.23	3.85
Industrial	1.47	-6.73	9.65	21.44	14.18
Institutional	5.24	0.33	5.09	10.31	5.65

TAXATION AND REQUISITIONS

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2011

	2011	2010	2009	2008	2007
TAXATION					
Real Property Taxes	\$ 98,261	\$ 93,075	\$ 89,376	\$ 83,380	\$ 76,709
Linear Property Taxes	1,132	1,115	1,134	1,140	1,323
Government Grants in Place of Property Taxes	1,007	873	827	756	809
Special Assignments and Local Imp. Taxes	-	-	-	-	25
	\$ 100,400	\$ 95,063	\$ 91,337	\$ 85,276	\$ 78,866
REQUISITIONS					
Alberta School Foundation Fund	\$ 17,462	\$ 16,813	\$ 16,211	\$ 14,790	\$ 14,413
St. Albert Protestant Separate School District #6	7,632	7,477	7,397	7,043	7,025
Sturgeon Foundation Requisition	836	526	484	465	428
Other	487	446	506	357	326
	\$ 26,417	\$ 25,262	\$ 24,598	\$ 22,655	\$ 22,192
TAXES AVAILABLE FOR MUNICIPAL PURPOSES	\$ 73,983	\$ 69,801	\$ 66,739	\$ 62,621	\$ 56,674

GENERAL FINANCIAL INFORMATION

(unaudited)

TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2011 (in thousands)

	2011	2010	2009	2008	2007
TAXABLE ASSESSMENT					
Residential	\$ 8,430,912	\$ 7,852,882	\$ 8,313,413	\$ 9,181,595	\$ 5,606,431
Commercial	610,102	578,046	631,404	564,851	415,433
Industrial	279,800	248,456	248,782	193,571	134,085
Special and Other	75,740	81,683	91,403	82,938	74,128
	9,396,554	8,761,067	9,285,002	10,022,955	6,230,077
GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	65,908	58,027	60,809	55,539	42,093
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	\$ 9,462,462	\$ 8,819,094	\$ 9,345,811	\$ 10,078,494	\$ 6,272,170
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES (PERCENTAGE)					
Residential	89.1	89.0	89.0	91.1	89.4
Commercial	6.4	6.6	6.8	5.6	6.6
Industrial	3.0	2.8	2.7	1.9	2.1
Special and Other	0.8	0.9	1.0	0.9	1.2
Grants in Place	0.7	0.7	0.7	0.6	0.7
RESIDENTIAL / NON-RESIDENTIAL ASSESSMENT SPLIT *					
Residential	89.1%	89.1%	89.0%	91.2%	89.4%
Non-Residential	10.9%	10.9%	11.0%	8.9%	10.6%

* With grant in place allocated between residential and non-residential.

TAX COLLECTION

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2011 (in thousands)

	2011	2010	2009	2008	2007
CURRENT LEVY	\$ 100,400	\$ 95,063	\$ 91,337	\$ 85,276	\$ 78,866
TAXES RECEIVABLE					
Current	\$ 1,524	\$ 1,512	\$ 1,407	\$ 1,044	\$ 806
In Arrears for More than One Year	783	640	428	278	249
	\$ 2,307	\$ 2,152	\$ 1,835	\$ 1,324	\$ 1,055
TAXES OUTSTANDING, BEFORE ALLOWANCE					
(PERCENTAGE)					
Current	1.5	1.6	1.5	1.2	1.0
In Arrears for More than One Year	0.8	0.7	0.5	0.3	0.3

Note that 13 principal taxpayers made up 5 per cent of the 2011 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

GENERAL FINANCIAL INFORMATION

(unaudited)

TOTAL LONG-TERM DEBT AND LONG-TERM DEBT SERVICING LIMITS

FOR THE YEARS ENDED DECEMBER 31, 2007 – 2011 (in thousands)

	2011	2010	2009	2008	2007
TAXES RECEIVABLE					
Tax Supported	\$ 61,190	\$ 66,169	\$ 70,964	\$ 71,777	\$ 68,239
User Supported	-	-	-	-	-
Utility Rates Supported	-	-	-	32	60
	\$ 61,190	\$ 66,169	\$ 70,964	\$ 71,809	\$ 68,299
TOTAL LONG TERM DEBT					
Maximum Allowable Annual Debt Servicing	\$ 34,105	\$ 32,575	\$ 31,367	\$ 29,383	\$ 27,983
Annual Servicing on Existing Debt	7,199	8,046	8,142	8,167	7,976
Amount of Limit Used (percentage)	21	25	26	28	29

RESTRICTED SURPLUS (RESERVE) BALANCES

FOR THE YEARS ENDED DECEMBER 31, 2007 – 2011 (in thousands)

	2011	2010	2009	2008	2007
OPERATING RESERVES					
General Government	\$ 5,595	\$ 5,725	\$ 5,578	\$ 5,977	\$ 5,340
Arts & Heritage Foundation	21	216	199	264	235
Children's Festival	236	229	202	199	-
Museum	44	86	77	95	88
Utilities	-	-	-	72	235
Library	67	67	67	67	66
Servus Place	-	-	-	-	-
	\$ 6,464	\$ 6,323	\$ 6,123	\$ 6,674	\$ 5,964
CAPITAL RESERVES					
General Government	\$ 24,563	\$ 34,423	\$ 22,694	\$ 22,414	\$ 22,997
Utilities	12,902	10,474	9,014	5,337	4,619
Library	321	269	195	158	152
Servus Place	-	-	-	-	-
	\$ 37,786	\$ 45,166	\$ 31,903	\$ 27,909	\$ 27,768
ENTERPRISE RESERVES					
Servus Place	-	-	-	-	62
TOTAL RESTRICTED SURPLUS - RESERVES	\$ 44,250	\$ 51,489	\$ 38,026	\$ 34,583	\$ 33,794

* With grant in place allocated between residential and non-residential.

GENERAL FINANCIAL INFORMATION

(unaudited)

KEY COMPONENTS OF FINANCIAL POSITION

Note: In 2009, the City of St. Albert adopted the new public sector accounting standard for financial reporting. As such, relevant comparative information is not available prior to 2008 for this and the following categories.

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2011 (in thousands)

	2011	2010	2009	2008
Total Financial Assets	\$ 90,749	\$ 96,393	\$ 81,299	\$ 79,578
Total Financial Liabilities	113,336	118,036	122,904	125,498
Net Debt	(22,587)	(21,643)	(41,605)	(45,920)
Total Non-Financial Assets	763,169	729,450	714,029	680,734
Accumulated Surplus	\$ 740,582	\$ 707,807	\$ 672,424	\$ 634,814
Key Components of Financial Assets Include:				
Cash and Cash Equivalents	35,425	37,551	50,272	69,479
Investments	43,981	48,040	19,063	166
Key Components of Financial Liabilities Include:				
Long Term Debt	61,190	66,169	70,964	71,809
Key Components of Non Financial Assets Include:				
Tangible Capital Assets	761,695	727,767	712,756	679,516
Key Components of Accumulated Surplus Include:				
Invested in Tangible Capital Assets	700,505	661,598	641,792	607,707
Restricted Surplus - Reserves	44,250	51,489	38,026	34,583

	2011	2010	2009	2008
ACQUISITION OF TANGIBLE CAPITAL ASSETS				
Building Improvements	\$ 2,053	\$ 961	\$ 420	\$ -
Library Collections	425	403	426	389
Leasehold Improvements	-	-	48	10
Land Improvement	2,688	5,666	3,605	11,788
Engineered Structures	27,682	14,913	24,421	13,210
Buildings	762	3,745	213	12,044
Machinery and Equipment	3,372	2,057	2,407	1,180
Land	16,484	4,590	7,962	3,576
Vehicles	1,556	1,771	10,085	1,384
Assets Under Construction	(822)	(306)	(2,307)	1,908
TOTAL TANGIBLE CAPITAL ASSET ACQUISITIONS	\$ 54,200	\$ 33,800	\$ 47,280	\$ 45,489

GENERAL FINANCIAL INFORMATION

(unaudited)

REVENUE BY OBJECT, EXPENSE BY FUNCTION, AND ANNUAL SURPLUS

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2011 (in thousands)

	2011	2010	2009	2008
REVENUE AND OTHER				
Property Taxes	\$ 73,983	\$ 69,801	\$ 66,739	\$ 62,621
Government Transfers	22,763	41,446	29,045	19,069
Sales and User Fees	42,589	39,911	37,201	33,419
Contributed Assets	15,050	4,536	6,976	15,109
Fines and Penalties	3,610	4,243	3,509	3,519
Other Revenue	3,954	1,722	3,536	3,969
Licenses and Permits	1,782	1,705	1,870	1,509
Franchise Fees	1,400	1,031	1,132	1,495
Investment Income	1,126	773	545	2,234
Developer Contributions and Levies	811	693	4,392	2,637
Contracted Service Revenue	2,378	2,375		
Gain (Loss) on Sales of Tangible Capital Assets	(1,023)	(427)	161	(235)
TOTAL REVENUE BY OBJECT	\$ 168,423	\$ 167,809	\$ 155,106	\$ 145,366
EXPENSE BY FUNCTION				
Protective Services	\$ 24,720	\$ 23,859	\$ 22,568	\$ 18,092
Recreation and Parks	23,039	22,950	22,341	19,456
Utility Services	26,055	25,416	21,558	23,102
Transportation and Roadway Services	21,118	18,959	18,392	16,955
General Government Services	11,121	12,087	10,974	12,792
Transit Services	11,002	10,297	9,908	9,329
Cultural Services	12,499	11,589	9,426	7,652
Planning and Development Services	3,484	4,593	3,398	4,530
Family and Social Services	2,610	2,677	2,786	2,316
TOTAL EXPENSE BY FUNCTION	\$ 135,648	\$ 132,427	\$ 121,351	\$ 114,224
ANNUAL SURPLUS	\$ 32,775	\$ 35,382	\$ 33,755	\$ 31,142
BEGINNING ACCUMULATED SURPLUS	707,807	672,425	638,670	603,672
ACCUMULATED SURPLUS END OF YEAR	\$ 740,582	\$ 707,807	\$ 672,425	\$ 634,814

GENERAL FINANCIAL INFORMATION

(unaudited)

EXPENSES BY OBJECT

FOR THE YEARS ENDED DECEMBER 31, 2008 – 2011 (in thousands)

	2011	2010	2009	2008
Salaries, Wages and Benefits	\$ 58,540	\$ 56,537	\$ 51,888	\$ 45,870
Contracted and General Services	24,448	24,095	20,424	21,795
Amortization	19,164	18,116	17,336	16,340
Purchases from Other Governments	14,415	13,863	12,847	11,495
Materials, Goods and Utilities	12,810	11,639	11,525	11,555
Transfers to Individuals and Organizations	2,258	4,203	3,163	3,326
Interest on Long Term Debt	2,989	3,241	3,377	3,362
Other Expenses	1,024	733	791	481
TOTAL EXPENSES	\$ 135,648	\$ 132,427	\$ 121,351	\$ 114,224

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Prepared by: Corporate Strategic Services Division and Financial Services

City of St. Albert
5 St. Anne Street, St. Albert, AB T8N 3Z9
T: 780-459-1500 **F:** 780-460-2394
www.stalbert.ca

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Parade to welcome provincial militia, June 12, 1901

